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ABSTRACT

In this study, research focused upon four major areas: (1) the impact of variations in State allocation formulas; (2) the influence of district level hold harmless positions on the distribution of Title I funds to districts; (3) the impact of variations in the source or tabulation of poverty data used by States; and (4) the impact of the two tier system of allocating funds to counties on the basis of the statutory formula and then allocating county funds to districts on the basis of a possibly different formula. Data, which were collected at State, county and district levels are contained in numerous charts and tables. Districts and types of districts which would gain or lose funds under alternative allocation formulas and procedures are identified through statistical analysis. The impact of each research area is both summarized and discussed in detail. (WI)

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Volume II
Of the Title I, ESEA,
Subcounty Allocation Study

Impact of Variations in Subcounty Allocation Procedures On Title I ESEA Allocations to School Districts

Stephen Smith, Babette Gutmann, and Alan Faller

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FOREWORD

This is the second of a four-volume report describing subcounty allocation of funds appropriated under Title I of the Elementary and Secondary Education Act of 1965, as amended in the Education Amendments of 1974 (P.L. 93-380). By Federal formula, allocations are determined by county. Therefore, subcounty allocation is the term given to the procedures used by states to apportion county allocations to school districts. At this point, the Congress is concerned that the subcounty allocation of Title I funds may lead to distributional effects that were not intended. The P.L. 93-380 Conference Report noted some of the reasons for this concern:

> "The conferees are concerned that the Department of Health, Education and Welfare, since the enactment of Title I, has administered the program in such a manner that funds are allocated to counties rather than to local education agencies, the units entitled to receive funds under the Title. The use of this administrative device could mean that school districts with increasing numbers of Title I eligible children in counties with static or declining numbers of such children may be denied rightful increases in Title I allocations.
>
> The conference committee does not wish these statements to be construed as condoning the present HEW practice of using county-level data as a substitute for local education agency-level data in calculating hold harmless levels. Rather, the conferees intend that this amendment as well as the 85 percent hold harmless provision, serve as an incentive to the Office of Education to collect appropriate local education agency-level data necessary to implement the amendments."

A separate section of P.L. 93-380 authorized the National Institute of Education (NIE), to conduct studies of compensatory education, including consideration of the feasibility, cost, and consequences of alternative ways of distributing federal compensatory education funds.

In September 1976, NIE contracted with Applied Urbanetics, Inc., to conduct an assesssment of subcounty allocation. The results of that assessment are to be presented in four volumes:

Volume I.	Current Subcounty Allocation Practices;
Volume II.	Impact of Variations in Subcounty Allocation Procedures on Title I ESEA Allocations to School Districts;
Volume III.	A Feasibility Analysis of Alternative Strategies for Determining School District Title I Allocations;
Volume IV.	A Summary of alternative Strategies for Determining School District Title I Allocations.

Volume I, Current Subcounty Allocation Practices, describes the origin and extent of the subcounty allocation process, the formulas and data sources used by the states, the methods used to collect and process data, and the costs of those methods.

Volume II, Impact of Variations in Subcounty Allocation Procedures on Title I ESEA Allocations to School Districts, describes the results of statistical analyses identifying the states in which districts would gain or lose funds under alternative allocation formulas and procedures, and identifying the types of districts that would gain or lose funds.

Volume III, A Feasibility Analysis of Alternative Strategies for Determining School District Title I Allocations, describes the availability and reliability of Census, AFDC, N&D and Foster data for school districts and the administrative complexity of alternative strategies for allocation to school districts.

Volume IV, A Summary of Alternative Strategies for Determining School District Title I Allocations, is a synthesis of the preceding three volumes that reviews current state procedures and assesses the impact and feasibility of four alternative allocation strategies.

EXECUTIVE SUMMARY

Purpose

The purpose of this study was to analyze the impact of variations in subcounty allocation procedures on the distribution of Title I funds to school districts in the nation. Title I funds are currently allocated to school districts through a two-tier system of allocation. Subcounty allocation is the name given to the procedures used by states to distribute to districts the Title I funds allocated to counties by the Federal government. Congress has given states considerable latitude in the choice of subcounty allocation procedures and criteria. As a result, roughly one-half of the states have chosen to use allocation formulas and poverty data tabulations which differ from the Federal choices.

In carrying out the major purpose of this study, the research was designed to assess:

- the impact of variations in state allocation formulas by analyzing the effects of mandating for all states, a uniform subcounty allocation formula, such as the current statutory formula or a formula based solely on Census poverty data;
- the influence of district level hold harmless provisions on the distribution of Title I funds to districts;
- the impact of variations in the source or tabulation of poverty data used by states by analyzing the effects of using a standard source, the USOE Special Census Tabulation By School District, instead of current state sources; and
- the impact of the two-tier system of allocating funds to counties on the basis of the statutory formula and then allocating county funds to districts on the basis of a possibly different formula, by analyzing the effects of emplcying substate instead of subcounty allocation procedures.

Each analysis was concerned with identifying the particular state choices that would produce the greatest effects on the distribution of Title I funds to districts, the states in which the effects would be the largest, and with assessing whether districts with specific demographic characteristics would be favored or disfavored by particular choices.

Data Analyses

For the analyses, data were collected at the state, county, and district levels on FY 1976 Title I allocations, the number of children in poverty (according to Census definition), and the number of children defined as eligible to receive Title I funds by each state's subcounty allocation formula. Data were extracted from print and computer tape files at the U.S. Office of Education and the National Institute of Education.

The analysis of the effects of mandating the use of the statutory formula instead of current state formulas for subcounty allocation focused on those states that did not employ the statutory formula in FY 1976. In order to overcome the lack of explicit data on statutory eligible children in districts in these states, a set of approximation procedures was used which relied on Census poverty data and, where available, data on children in families receiving AFDC payments.

The other analyses were performed on a sample of 24 states which represented districts in both statutory and non-statutory states. The sample consisted of 9,120 school districts and represented over 50 percent of the Title I eligible children in the nation.

Findings

Impact of Mandating Use of Statutory Formula

In order to describe the redistribution of funds that would occur within counties as a result of a shift from FY 1976 state subcounty allocation formulas to a uniform formula approximating the statutory formula, the dollar shifts that would occur among districts within counties were summed to the state level and compared with each state's Title I funds. The principal findings are listed as follows.

- In seven of the 21 states using non-statutory formulas, more than 10 percent of each state's Title I funds would shift among districts.

- The largest estimated shifts (between 10 and 16 percent of a state's Title I funds), would occur in states in which the total number of children in families receiving AFDC payments constitutes a large fraction of the total eligible children as defined by the state, e.g., states which use only AFDC or AFDC plus income tax data as formula components.

- In the eight states which employ a formula similar to the statutory formula, the percent of a state's Title I funds that would be redistributed is generally less than 6.5 percent.

- In eleven states, the allocations of a majority of districts would change by more than five percent.

More specifically, in California, Massachusetts, Missouri, and Montana, which use AFDC as their allocation formula, the percentage shifts are between 8 and 11 percent. Other states with large percentage shifts are Iowa (16 percent - AFDC plus income tax); Arkansas (8.4 percent - AFDC plus Free Lunch); Nebraska (12 percent - AFDC plus Census Orshansky poor); Delaware (16 percent - AFDC for incomes greater than $2,000); and Arizona (15 percent - Census with poverty level at $3,000).

The following patterns were found for changes in allocations of districts with particular demographic characteristics.

- A majority of central city and urban districts in states that emphasize AFDC in their allocation formulas would lose five percent or more of their allocations.

- A majority of suburban districts in these same states would gain five percent or more of their allocations.

- A majority of districts with high poverty rates (as defined by Census data) in these states would also gain five percent or more of their allocations.

Similar results were found for the impact of shifting to the use of a Census-Orshansky formula instead of current state formulas for subcounty allocation.

Influence of District Level Hold Harmless Provisions

In subcounty allocation, a district whose allocation is held harmless receives a greater share of its county's allocation than it would on the basis of its share of its county's eligible children. Other districts in the county consequently receive less than their share.

It was found that a greater percentage of districts have their allocations held harmless in states which emphasize AFDC data rather than Census data in their subcounty allocation formulas. In California, Massachusetts and Missouri, 20 percent of the districts have their allocations held harmless. The maximum percentage of those states' Title I funds that were held harmless was nine percent. In states with formulas similar to the statutory formula the maximum percentage was four percent.

The implementation of district level hold harmless provisions would shift less than two percent of any sample state's Title I funds. If district hold harmless provisions were dropped, less than four percent of each state's districts would lose more than one-half the average teacher's salary in the state.

Influence of Source of Census Poverty Data

In FY 1976, 35 of the 46 states performing subcounty allocation employed Census data as a component in their allocation formulas. These states used a total of four different tabulations which, because of differences in aggregation and sampling procedures, may produce different estimates of district level poverty counts.

The influence of the choice of data source was examined by comparing FY 1976 district entitlements with entitlements the districts would have received if the USOE Special Tabulation By School District (OE-SD) was employed instead of current state sources. Data were analyzed for a sample of nine states.

In the sample of states, roughly three percent of a state's Title I funds would shift among districts as a result of the choice of Census tabulation.

For the states in the sample employing the statutory formula, the choice of Census data source has the same impact on the distribution of district allocations as the impact of a shift to using a Census-Orshansky formula instead of the statutory formula.

Impact of Shifting to Substate Allocation Procedures

An alternative procedure for allocating Title I funds to school districts within states is to allow states to perform substate allocation instead of subcounty allocation. In substate allocation, each district receives an allocation based on its share of its state's, rather than its county's, Title I funds. The current state allocation formulas remain unchanged.

As in the analysis of the impact of mandating the statutory formula, the dollar changes in each district in a state were summed to the state level and compared with the state's total FY 1976 Title I funds. The findings are listed below.

- States using subcounty allocation formulas similar or equivalent to the statutory formulas would be little affected by the change to substate allocation procedures. Less than one percent of state's Title I funds would shift among districts; and

- States using AFDC data for subcounty allocation would generally experience significant shifts. In California and Missouri, eight percent and 17 percent, respectively, of the state's Title I funds would shift.

In states employing formulas similar or equivalent to the statutory formula, the county-to-county variation in the ratio of statutory to state defined eligible children is small, thus district allocations would be relatively unaffected by the shift to substate allocation. In states employing AFDC, there is greater county-to-county variation in this ratio. As a result, the county tier in the subcounty allocation process has significant influence on the distribution of Title I funds to districts.

The influence of the county tier is diminished, however, in cases where county populations have similar characteristics and there are few counties relative to school districts. For example, Massachusetts employs AFDC data, but only 2.5 percent of its Title I funds would shift among districts in a shift to substate allocation procedures.

In most states, a shift from subcounty to substate procedures would not significantly favor nor disfavor districts with particular characteristics. In California and Missouri, however, metropolitan central cities and suburbs would, on the average, receive increased funds, while non-metropolitan urban and rural areas would receive decreased funds.

Districts with high poverty rates would, on the average, lose funds, while districts with high concentrations of non-white population would, on the average gain funds. In Missouri, where there are a large number of small districts, the few high poverty districts that would gain funds contain most of the eligible children.

Chapter 1. INTRODUCTION

Title I funds are allocated to school districts through a two-tier system of allocation.

1. Funds are allocated by the Federal government to counties in the nation on the basis of Congressionally mandated criteria and procedures.

2. County funds are allocated by states to school districts within (and across) counties on the basis of state-defined criteria and procedures.

In this system, a district's allocation is a function of the funds allocated to its county and three factors governing subcounty allocation:

- The subcounty allocation formula chosen by the state to distribute county dollars to the districts within (or overlapping) county boundaries.

- The source or tabulation of poverty data used by the state in its formula to calculate a district's share of its county funds.

- The hold harmless provisions imposed on a district's allocation so the district does not receive less than 85 percent of its previous year's allocation.

States are currently given considerable latitude in the choice of subcounty allocation procedures and criteria. Particular state choices for these factors may considerably alter the distribution of Title I funds intended by Congress in the choice of criteria for county allocations.

This is a report on a study of the impact of the variations in subcounty allocation procedures and criteria. The study seeks to answer two main questions:

- How do differing state procedures and criteria affect district allocations?

- Are districts with particular demographic characteristics favored or disfavored by particular choices of procedures and criteria?

The main impact of the two-tier system on the distribution of Title I funds is expected to arise from the clash of using the statutory formula to distribute funds to counties, and using formulas defined by the states to distribute county funds to districts. The statutory formula includes as components the Census counts of children in families with incomes below the Orshansky poverty level, and the number of children in families with incomes above the poverty level that receive AFDC.[1]

In a previous study of a small sample of districts performed by the Stanford Research Institute,[2] it was found that the use of AFDC as an allocator favored districts that were predominantly urban and had large black populations, while the use of Census-Orshansky counts favored small cities and suburbs and areas with minority populations other than Black.

Since the statutory formula contains both Census-Orshansky and AFDC data as components, a balance may have been achieved between allocations to urban areas and allocations to suburban areas. A state, in choosing an allocation formula that emphasizes one type of data over another, may be choosing to favor within counties one type of district over another.

In FY 1976, 21 states employed formulas for subcounty allocation which differed from the statutory formula. (See Table B-1 in Appendix B.) These states contained approximately 50 percent of the nation's Title I eligible children as defined by the statutory formula. Of these 21 states, nine employed formulas similar to the statutory formula in that the main component was the number of children in poverty according to the 1970

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1 The statutory formula defines eligible children as (1) those aged 5-17 from families below the poverty level (using the same criteria used by the Bureau of the Census in completing the 1970 decennial Census); plus two-thirds of those aged 5-17 in families receiving AFDC payments (under Title IV of the Social Security Act) with incomes in excess of the poverty level for a non-farm family of four, as updated from the 1970 levels based on the Consumer Price Index; plus those aged 5-17 living in institutions for neglected and delinquent children or being supported in foster homes with public funds.

2 Subcounty Allocation of ESEA Title I Funds, Stanford Research Institute, Menlo Park, California, January, 1975.

Census-Orshansky poverty index; five employed total number of children in AFDC families; and seven used formulas or methods emphasizing other indicators of disadvantage. (See Volume I of this study for a report of FY 1977 practices.)

Whether these variations in formula have a significant impact on the distribution of Title I funds to districts is addressed in Chapter 2 by examining the impact of mandating the statutory formula as a uniform formula for all states for subcounty allocation.

In Chapter 3, a closer look is taken at the effects of the separate factors of the subcounty allocation system: allocation formula, data sources, and hold harmless provisions.

Chapter 4 examines the impact of shifting from subcounty to substate allocation, an alternative strategy for allocating Title I funds to districts that would eliminate the county tier from the allocation process.

A detailed discussion of the methodology with detailed tables of the results is contained in the Appendices.

Chapter 2. IMPACT OF USING THE STATUTORY FORMULA FOR SUBCOUNTY ALLOCATION

Introduction

In drafting Title I of the Elementary and Secondary Education Act, Congress was aware that data needed to employ the statutory formula were not readily available at the school district level, but were available at the county level. Congress therefore authorized allocations to be made to counties based on the statutory formula and in turn to school districts within a state, "...upon such equitable basis as may be determined by the state education agency in accordance with basic criteria prescribed by the Commissioner."

As indicated earlier, in FY 1976 twenty-one states employed a basis that was different from the statutory formula used at the county level. Although many of these states used a formula similar to the statutory formula, several used formulas that differ significantly.

One alternative allocation strategy that might bring Title I allocation procedures closer to the original intent of Congress is to mandate the use of a uniform formula, such as the current statutory formula, for subcounty allocation instead of the state formulas now used.

This chapter addresses two major policy questions related to this alternative and to the general distributional consequences of current practices:

- How would district allocations be affected if the statutory formula were mandated as the uniform formula for subcounty allocation?
- To what extent would districts with particular demographic characteristics be favored or disfavored by mandating the use of the statutory formula for subcounty allocation?

Since there will be no change in procedures and therefore allocations in the twenty-five states already employing the statutory formula, the focus of the analysis is on the states that employ non-statutory formulas for subcounty allocation.

The changes in district allocations that would occur in a shift to the statutory formula depend on the extent to which the formula change affects the district's fraction of its county allocation. To illustrate this principle, an example is presented of the effect of using the Federal formula instead of the state formula for subcounty allocation for two school districts in Missouri.

State Formulas versus Statutory Formula: An Example

Ferguson-Florissant and St. Louis City are two school districts in Missouri, a state which employs the total number of children in families receiving AFDC as the basis for distributing county Title I funds to school districts. Ferguson-Florissant school district is one of 25 school districts in St. Louis county, the county adjacent to the county of St. Louis City. It has an enrollment of roughly 14,000 students. The St. Louis City school district is the only school district in its county. It has a membership of approximately 110,000 students.

In FY 1976, Ferguson-Florrisant had nearly 19 percent of its county's eligible AFDC children and therefore received 19 percent of its county's Title I funds. St. Louis City, being coterminous with its county, received 100 percent of its county's funds.

In a shift to using the statutory formula for subcounty allocation, each district in Missouri would receive an allocation based on the fraction of its county's statutory eligible children rather than its county's AFDC children. Since Ferguson-Florissant is estimated to have only 14 percent of its county's statutory eligible children, it would receive 14 percent rather than 19 percent of its county's Title I funds. This would be equivalent to a loss of approximately $78,000 or 20 percent of its allocation.

On the other hand, the allocation to St. Louis City would remain the same, since it still has 100 percent of its county's eligible children, regardless of whether they are defined as AFDC or statutory eligible children.

Analysis Methods

An exact analysis of the impact of using the Federal formula instead of current state formulas for subcounty allocation

is hindered by the same problems that caused Congress to authorize grants to counties instead of districts: a lack of appropriate data at the district level. In the states not employing the Federal formula, only data for the Census based component are uniformly available.

Therefore, in order to analyze the impact of mandating the Federal formula, a set of estimation procedures was used. The number of statutory eligible children was estimated for each district primarily on the basis of Census data. In states where total AFDC data were available these were also employed. (See Appendix A for further description). The estimated number of statutory eligible children for each district was multiplied by the allocation per statutory eligible child (as determined from county data) to obtain the estimated allocation under the Federal formula. District level hold harmless provisions were neglected. Estimated allocations were calculated only for school districts for which Census data were available. This generally excluded all districts with enrollments under 300. In addition, only unified and elementary school districts were included in the analysis to avoid double counting of Census Orshansky children in overlapping elementary and secondary school districts

The impact on each district in using the formula was examined by comparing its estimated statutory allocation with its FY 1976 Title I allocation. The total impact for a state was measured by summing the dollar changes over all districts in the state and comparing the result with the state's total Title I funds.

State-by-State Impact

The impact at the state level of using a uniform allocation formula estimating the statutory formula instead of current state formulas for subcounty allocation is shown in Table 2.1. As a result of using the statutory formula instead of the current formulas, it is estimated that:

- in seven of the 21 states using non-statutory formulas in FY 1976, more than 10 percent of the states' Title I funds would shift among districts (the shifts occur within counties, since the county entitlements remain constant.);
- the largest percentage shifts (in the range of 8 to 16 percent) generally occur in states in which AFDC is a major formula component.

Table 2.1

IMPACT OF SHIFTING FROM CURRENT STATE FORMULA1/ FOR SUBCOUNTY ALLOCATION TO UNIFORM FORMULA2/ APPROXIMATING THE STATUTORY FORMULA

Formula/State	Percent of State's Title I Funds That Would Shift Among Districts If Subcounty Formula Changed From Current State Formula To Uniform Formula	Percent of State's Title I Allocation Subject To Subcounty Allocation
TOTAL AFDC		
California	11.0%	97%
Massachusetts	8.3	100
Missouri	11.0	78
Montana	11.0	100
Wyoming	2.5	67
SIMILAR TO STATUTORY		
Census + AFDC > poverty		
New York	4.3	35
Vermont	6.0	100
Census + AFDC		
Colorado3/	3.3	69
Nebraska	12.0	99
Utah	2.7	69
Census only		
Indiana	2.9	89
Virginia	0.0	3
Washington	6.3	100
OTHER		
Fixed Percent Based on 1960 Census		
Louisiana	0.2	5
Local Agreement		
Alabama	3.1	61.6
North Carolina	3.0	100
Free Lunch + AFDC		
Arkansas	8.4	100
Income Tax + AFDC		
Iowa	16.0	100
AFDC > $2000		
Delaware	16.0	100
Census < $3000		
Arizona	15.0	100

1/ Includes only those districts which currently receive Title I funds and for which Census data were available.

2/ For all districts, the major component in the uniform formula, as in the statutory formula, is the number of Census Orshansky children 5-17.

For subcounty districts, the remainder of the statutory formula was approximated by adding a fractional share of the county's children in AFDC above poverty. The fractional share was determined by assuming that AFDC above poverty is distributed among districts within the county in the same proportion as Census Orshansky children.

The Census allocator is the U.S.O.E. Special Tabulation by School District. This Census source assigns the same number of Orshansky children to overlapping elementary and secondary districts. This results in a double counting of the Orshansky children within counties where there are overlapping districts. For this reason, only unified and elementary school districts are included in this analysis.

3/ Colorado weights total AFDC.

- In the eight states which employ a formula similar to the statutory, the percentage of each state's Title I funds that shift is, with one exception, less than 6.5 percent. The one exception, Nebraska, employs AFDC counts equally with Census-Orshansky poor counts in its subcounty allocation formula.

Of the five states employing total AFDC, Table 2.1 shows that in four (California, Massachusetts, Missouri, Montana) the percentage dollar shift is between 8 and 11 percent. In the fifth state, Wyoming, the shift is only 2.5 percent.

AFDC is also a major formula component in Arkansas, Iowa and Delaware where the percentages of funds shifted are 8.4, 16 and 16 percent, respectively. Arkansas uses AFDC plus Free Lunch data, while Iowa uses AFDC plus income tax data. Delaware employs, as the basis for its formula, the number of children in AFDC families with incomes greater than $2,000.

The two other states with significant dollar shifts are Nebraska and Arizona. Nebraska employs Census plus AFDC, while Arizona uses only Census data, but chooses a poverty level other than the Orshansky poverty level.

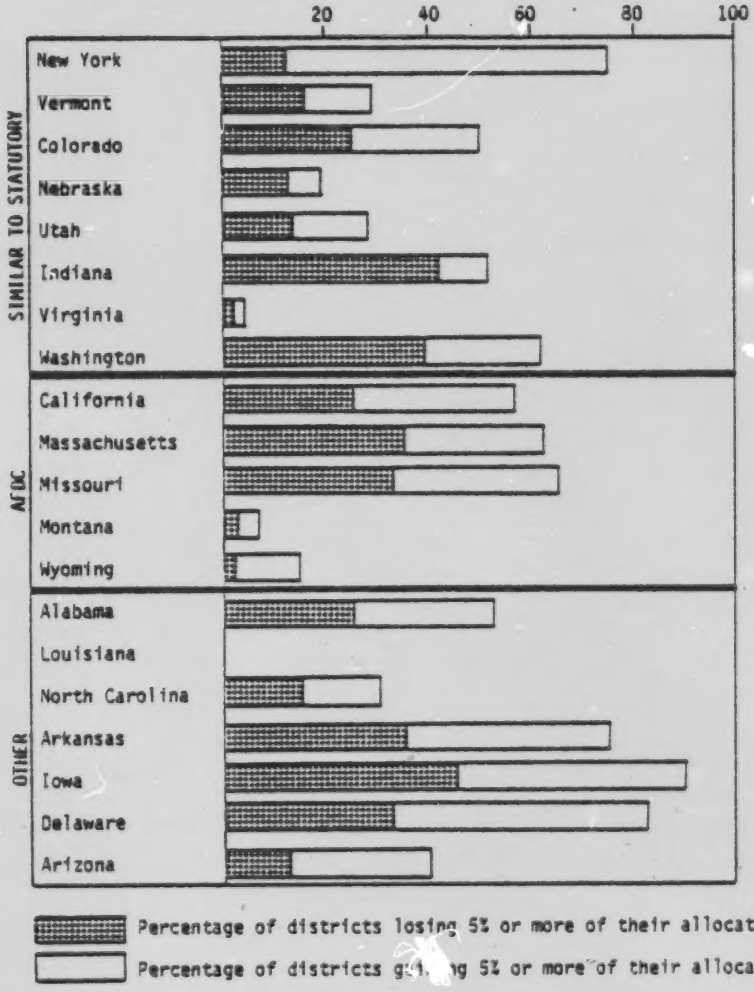
Table 2.2 displays the percent of each state's districts whose allocation changes by more than 5 percent. In eleven states, more than 50 percent of the districts gain or lose 5 percent or more of their allocation. These states include several with the largest percent dollar changes such as California, Massachusetts, Missouri, Arkansas, Iowa and Delaware (see Table 2.1). This group of eleven states also includes, however, New York, Colorado and Alabama, which had small dollar shifts. This suggests that in these latter states many of the districts with small Title I grants would be significantly affected.

Conversely, the results of Tables 2.1 and 2.2 suggest that a few districts in Nebraska and Montana with relatively large Title I allocations would be affected by the shift to using the statutory formula.

Examples of districts with the largest dollar changes are shown in Table 2.3 for a few states. From just the examples shown, it would appear that many of the central city districts

Table 2.2

PERCENT OF STATE'S DISTRICTS1/ GAINING OR LOSING 5% OR MORE OF THEIR ALLOCATION IN A SHIFT TO USING A UNIFORM FORMULA2/ APPROXIMATING THE STATUTORY FORMULA INSTEAD OF THE CURRENT STATE FORMULA FOR SUBCOUNTY ALLOCATION



1/ Includes only those districts which currently receive Title I funds and for which Census data were available.

2/ For all districts, the major component in the uniform formula, as in the statutory formula, is the number of Census Orshansky children 5-17.

For subcounty districts, the remainder of the statutory formula was approximated by adding a fractional share of the county's children in AFDC above poverty. The fractional share was determined by assuming that AFDC above poverty is distributed among districts within the county in the same proportion as Census Orshansky children.

The Census allocator is the U.S.O.E. Special Tabulation by School District. This Census source assigns the same number of Orshansky children to overlapping elementary and secondary districts. This results in a double counting of the Orshansky children within counties where there are overlapping districts. For this reason, only unified and elementary school districts are included in this analysis.

Table 2.3

EXAMPLES OF CHANGES1/ IN DISTRICT TITLE I ALLOCATIONS THAT WOULD RESULT FROM USING A UNIFORM FORMULA APPROXIMATING THE STATUTORY FORMULA INSTEAD OF THE CURRENT STATE FORMULAS FOR SUBCOUNTY ALLOCATION

State/School District	FY 1976 Title I Allocation (In Thousands of Dollars)	Dollar Change (In Thousands of Dollars)	Percent Change
CALIFORNIA2/			
Oakland	4,143	-602	-14
Fresno	2,992	-571	-19
Bakersfield	1,350	-524	-39
Alhambra	365	+484	+133
Modesto	863	+351	+41
Los Angeles	26,814	+302	+1
MASSACHUSETTS			
Springfield	1,770	-223	-13
Worcester	1,195	-152	-13
Brockton	703	-145	-21
Boston	7,424	-1	0
MISSOURI			
Kansas City	2,967	-233	-8
Normandy	315	-169	-54
Hickman-Mills	15	+107	+690
DELAWARE			
Wilmington	1,725	-385	-22
Caesar Rodney	102	+155	+152

1/ Except for Boston, districts shown are those with largest dollar changes over $100,000 in each state.

2/ FY 1976 allocations to districts in California do not include funds for neglected and delinquent children.

in these states would lose funds, if a uniform formula approximating the statutory formula were employed rather than the state's formula. This is examined in more detail in the next section.

The districts with the largest losses are generally those districts in each state that receive relatively large Title I allocations. However, Los Angeles would gain approximately $300,000, while Boston's allocation would remain nearly the same. The examples also show that some districts receiving over $100,000 in Title I funds would more than double their allocation.

Impact on Particular Types of Districts

If the statutory formula were uniformly mandated as the subcounty allocation formula, districts with particular characteristics may be differently affected. For example, if a state employs AFDC as its subcounty allocation formula, and AFDC children are more concentrated than statutory children in metropolitan central cities within counties, then central city districts would lose funds to other types of districts in the county in a shift to using the statutory formula instead of an AFDC formula. The magnitude of the effect would depend on the extent to which the eligible children (as defined by the state, e.g., AFDC children) are more concentrated than statutory eligible children in areas with particular characteristics.

In order to analyze fully the impact of a shift to using the statutory formula, a comparison was made between FY 76 allocations and estimated statutory allocations for districts with particular demographic characteristics. Among demographic characteristics considered were:

1. poverty concentration - the percent of 6-17 year olds in poverty in the districts as defined by the 1970 Census of population;

2. metro/urban status - districts were categorized as metropolitan central city, other metropolitan (suburban) areas, non-metropolitan urban and non-metropolitan rural areas according to whether 50 percent or more of their population were in these areas as defined by the 1970 Census of population;

3. enrollment - FY 76 average daily membership if available, or average daily attendance if not.

For districts with particular demographic characteristics, Table 2.4 summarizes the impact on allocations of shifting from state formulas to a uniform formula approximating the statutory formula.

The following patterns are found:

- A majority of central city and urban districts in states that emphasize AFDC as an allocator would lose 5 percent or more of their allocation. These states include those which had the largest overall percentage shifts of Title I funds: California, Massachusetts, Missouri, Montana, Arkansas, Iowa and Delaware. (See Table 2.4)

- A majority of suburban districts in these same states would gain 5 percent or more of their allocation. Similarily, with a few exceptions, a majority of rural districts would gain.

- A majority of districts in these states with high poverty rates (as defined by Census data) would also gain 5 percent or more of their allocations.

In Nebraska and Arizona (two other states in which a large percentage of the states' Title I funds would shift among districts), particular categories of districts appear not to be favored more than others. In Nebraska, a majority of districts in each category would lose 5 percent or more of their allocations, while in Arizona, a majority in each category would gain 5 percent or more.

Thus, in Nebraska, which weights Census and AFDC data equally in its allocation formula, central city and urban districts follow the pattern found for these districts in the AFDC states. In Arizona, changes in the allocations of a majority of cen-tral city and urban districts follow an opposite pattern. Arizona uses no AFDC data, only Census data in its allocation formula.

Table 2.4

IMPACT ON DISTRICT ALLOCATIONS OF SHIFTING FROM CURRENT STATE FORMULA1/ FOR SUBCOUNTY ALLOCATION TO UNIFORM FORMULA2/APPROXIMATING THE STATUTORY FORMULA, FOR DISTRICTS HAVING DIFFERENT DEMOGRAPHIC CHARACTERISTICS

KEY:

\+ = a majority of districts in state in demographic category would gain 5% or more over their current allocation in a shift to using uniform formula for subcounty allocation.

\- = a majority of districts would lose 5% or more.

blank space = a majority would neither gain nor lose 5% or more.

Formula/State	DEMOGRAPHIC CHARACTERISTICS3/				
	Urban/Metro Status				
	Metro Central City	Metro Suburban	Non-Metro Urban	Non-Metro Rural	Greater Than 20% Poverty
TOTAL AFDC					
California	-	+	-	+	+
Massachusetts	-		-		+
Missouri	-	+	-	+	+
Montana	-	+		+	+
Wyoming					
SIMILAR TO STATUTORY					
Census + AFDC > poverty					
New York	+	+	+	+	+
Vermont					+
Census + AFDC					
Colorado					
Nebraska	-	-	-	-	-
Utah	-				
Census Only					
Indiana		-			
Virginia					
Washington	-	-	-		
OTHER					
Fixed Percent Based on 1960 Census					
Louisiana					
Local Agreement					
Alabama			-		
North Carolina					
Free Lunch + AFDC					
Arkansas	-	+	-		
Income Tax + AFDC					
Iowa	-	+	-	+	+
AFDC > $2000					
Delaware	-	+	-	-	-
Census < $3000					
Arizona	+	+	+	+	+

1/ Includes only those districts which currently receive Title I funds and for which Census data were available.

2/ For all districts, the major component in the uniform formula, as in the statutory formula, is the number of Census Orshansky children 5-17.

For subcounty districts, the remainder of the statutory formula was approximated by adding a fractional share of the county's children in AFDC above poverty. The fractional share was determined by assuming that AFDC above poverty is distributed among districts within the county in the same proportion as Census Orshansky children.

The Census allocator is the U.S.O.E. Special Tabulation by School District. This Census source assigns the same number of Orshansky children to overlapping elementary and secondary districts. This results in a double counting of the Orshansky children within counties where there are overlapping districts. For this reason, only unified and elementary school districts are included in this analysis.

3/ In Vermont and Wyoming, there are no districts in the Metro Central City and Metro Suburban categories.

If only metropolitan central city districts with enrollments over 25,000 students are examined, a strong pattern emerges. Table 2.5 illustrates the estimated changes in allocations for these districts in Arizona, California, Iowa, Massachusetts and Missouri. Of all the districts, only Los Angeles and San Diego would gain funds. San Francisco and St. Louis would neither gain nor lose, since they are coterminous with their county and their allocations are already based on the statutory formula.

A brief investigation was performed of the impact of shifting to a uniform formula approximating the statutory formula on the allocations of districts with different concentrations of non-white population. The largest variations in allocations of districts were again found in states that employ AFDC as the subcounty allocation formula. Table 2.6 displays the findings for districts with the highest percentages (greater than 30 percent) non-white population in states using AFDC formulas.[1] Four of the districts would lose 5 percent or more of their Title I funds. Districts with the larger memberships appear to lose funds while those with the smaller memberships gain funds.

In summary, the data presented in this section support the commonly held belief that central city and urban districts are favored by subcounty allocation formulas that emphasize AFDC, while suburban and rural districts are favored by formulas emphasizing Census-Orshansky data. The statutory formula emphasizes Census data over AFDC data in two ways: by limiting AFDC eligible children to only those AFDC children in families with incomes greater than the poverty level, and by only counting two-thirds of these eligible children in the formula. As a result, in states which emphasize AFDC in their current formulas, a shift to using the statutory formula would generally shift funds out of central city and urban areas to suburban and rural areas. Allocations to districts that are coterminous with counties, or that are in states already using the statutory formula would not be affected.

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[1] Massachusetts has no districts in this category.

Table 2.5

CHANGES IN DISTRICT TITLE I ALLOCATIONS THAT WOULD RESULT FROM USING A UNIFORM FORMULA APPROXIMATING THE STATUTORY FORMULA INSTEAD OF CURRENT STATE FORMULAS FOR SUBCOUNTY ALLOCATION FOR METROPOLITAN CENTRAL CITIES WITH ENROLLMENTS OVER 25,000

State/School District	FY 1976 Title I Allocations (In Thousands of Dollars)	Dollar Change (In Thousands of Dollars)	Percent Change
ARIZONA			
Tucson	983	-206	-21
CALIFORNIA1/			
Fresno	2,992	-571	-19
Santa Ana	927	-174	-19
Oakland	4,143	-602	-14
Stockton	1,855	-233	-13
Sacramento	1,906	-110	-6
San Bernadino City	1,680	-86	-5
Long Beach	2,171	-52	-2
San Francisco2/	4,110	0	0
Los Angeles	26,814	+302	+1
San Diego	3,660	+183	+5
IOWA			
Des Moines Indep.	1,285	-495	-38
MASSACHUSETTS			
Springfield	1,770	-223	-16
Worcester	1,195	-152	-13
Boston	7,424	-1	0
MISSOURI			
Springfield R-12	625	-81	-13
Kansas City	2,967	-233	-8
St. Louis2/	6,492	0	0

1/ FY 1976 allocations to districts in California do not include funds for neglected and delinquent children.

2/ District is coterminous with county, and therefore allocation is already based on statutory formula.

Table 2.6

IMPACT OF A SHIFT TO USING A UNIFORM FORMULA APPROXIMATING THE STATUTORY FORMULA FROM CURRENT STATE FORMULAS FOR SUBCOUNTY ALLOCATION ON ALLOCATIONS OF DISTRICTS WITH GREATER THAN 30 PERCENT NON-WHITE POPULATION

State/District/County	FY 1976 Membership	FY 1976 Title I Allocations (In Thousands Of Dollars)	Change In District Allocation (In Thousands Of Dollars)	Percent Change In Allocations
CALIFORNIA				
Oakland/Alameda	60,974	4,143	-673	-16
Berkeley/Alameda	14,646	545	-24	-5
Ravenswood/San Mateo	4,131	323	-27	-8
Del Paso Heights Elem./ Sacramento	1,889	166	+24	+14
Emery/Alameda	652	22	+12	+55
MISSOURI				
Hayti R-2/Pemiscot	1,851	186	-14	-8
St. Louis City	110,536	6,492	0	0

Chapter 3. INFLUENCE OF SUBCOUNTY ALLOCATION FACTORS ON DISTRICT ALLOCATIONS

Three factors at the state level were identified in Chapter 1 as influencing the distribution of Title I funds to districts: the allocation formula, the data tabulation employed, and hold harmless provisions.

In the investigation in Chapter 2 of the estimated impact of shifting to the use of the statutory formula for subcounty allocation, the influences of data tabulations and hold harmless provisions were neglected. In this Chapter, the separate influences of formula, data source and hold harmless are examined.

In assessing the separate influences, the discussion begins with the last factor applied in subcounty allocation: hold harmless provisions. District allocations for FY 1976 are compared with district entitlements, i.e., district Title I funds prior to the application of district level hold harmless provisions.

The influences of formula are then re-examined by analyzing the impact on district entitlements of a shift to using only Census-Orshansky data instead of current state formulas for subcounty allocation. The use of entitlements instead of allocations specifically removes the effects of district hold harmless provisions.

Since this analysis is still confounded by the influences of both formula and data source, the discussion proceeds with an examination of the separate influence of state choices for data sources. This discussion is focused on the effects of using different Census tabulations to obtain data on children in poverty. The several Census tabulations in use by the states may give different estimates of the number of children in poverty in a district as a result of differences in sampling or differences in the degree of apportionment or aggregation required to obtain district counts from data for other geographical areas.

In order to perform the analyses of the separate factors, data were required on district entitlements and eligible children as defined by the state's subcounty allocation formula. Data were collected from USOE files for a 24 state sample comprising 9,120 school districts. The sample

represented two-thirds of the nation's statutory eligible children (see Table 3.1).

Twelve states in the sample used the statutory formula for subcounty allocation, five used a formula similar to the statutory formula, three emphasized AFDC counts, and four used other types of formulas. At least 50 percent of the districts subject to each of the four major types of formulas were represented.

Influence of Hold Harmless Provisions on District Allocations

Congress authorized hold harmless provisions for district allocations to prevent major decreases in a district's allocation from one year to the next through large decreases in eligible children. Current provisions do not allow a district to receive an allocation that is less than 85 percent of its previous year's allocation.

In subcounty allocation, a district whose allocation is held harmless receives a greater share of its county's allocation than it would on the basis of its share of its county's eligible children. In fact, in an extreme case, a district may receive an allocation without having any eligible children. In addition, since the county allocation is fixed, other districts "neighboring" a hold harmless district in a county must receive less than their share of their county's Title I funds.

In subcounty allocation, hold harmless provisions are applied at two levels: county and district. The U.S. Office of Education is responsible for implementing county level hold harmless provisions. District level implementation is the responsibility of the states. In FY 1976, 110 county grants were held harmless. Table 3.2 presents the percentage of districts whose allocations were held harmless in FY 1976 for a sample of states where specific hold harmless data were available.

The results indicate that a greater percentage of districts have their allocations held harmless in states which use subcounty allocation formulas which emphasize currency of eligibility data, (e.g., California, Massachusetts and Missouri which use AFDC as an allocator) than in states which emphasize Census data.

Table 3.1

DATA SAMPLE OF FEDERAL FORMULA ELIGIBLES AT DISTRICT LEVEL, FY 1976, BY SUBCOUNTY ALLOCATION FORMULA

Subcounty Formula Type	States		Districts		Title I Eligibles	
	Names	(No. in Sample/ No. in Universe)	Number	% in Sample	Number	% in Sample
1. Statutory	CT, GA, ID, IL, KY, MI, MN, NM, PA, RI, TX, WI	12/25	4,866	56.2	2,707,739	62.5
2. Similar to Statutory						
a. Census + AFDC > pov	NY, VT	2/2	977	100.0	804,603	100.0
b. Census + AFDC	UT	1/4	40	2.8	34,460	18.6
c. Census only	IN, VA	2/3	437	59.0	355,991	78.3
3. Total AFDC only	CA, MA, MO	3/5	1,960	75.1	1,039,819	96.6
4. Other						
a. Agreement	LA, NC	2/3	214	62.9	632,757	69.7
b. Free Lunch + AFDC	AR	1/1	386	100.0	156,645	100.0
c. Income tax + AFDC	-	0/1	0	0	0	0
d. AFDC > $2000	-	0/1	0	0	0	0
e. Census < $3000	AZ	1/1	239	100.0	86,478	100.0
Total		24/46	9,119	57.0	5,818,492	66.8

Table 3.2

PERCENT OF DISTRICTS AND STATE ALLOCATION
AFFECTED BY HOLD HARMLESS PROVISIONS1/

Formula/State	Total Number of Districts	Percent Of Districts Held Harmless	Percent Of Districts In Counties With at Least One District Held Harmless2/	Percent Of State Allocation In Held Harmless Districts
TOTAL AFDC				
California	1,040	20	70	4
Massachusetts	359	32	52	9
Missouri	567	26	57	9
SIMILAR TO STATUTORY				
Indiana	304	10	27	4
New York				
Utah	40	8	5	0.2
Vermont				
Virginia				
STATUTORY				
Connecticut	166	6	59	1
Georgia	188	8	3	2
Idaho				
Illinois	1,039	18	57	3
Kentucky				
Michigan				
Minnesota				
New Mexico	88	1	1	0.6
Pennsylvania				
Rhode Island				
Texas				
Wisconsin				
OTHER				
Fixed Percent Based on 1960 Census				
Louisiana				
Local Agreement				
North Carolina	148	3	--	4
AFDC + Free Lunch				
Arkansas	386	12	41	8
Census < $3000				
Arizona	240	10	59	2

1/ For states where hold harmless information was available for this analysis.

2/ Held harmless districts are not included in this calculation.

States which employ formulas emphasizing Census data are unlikely to have a large percentage of their districts with allocations held harmless. The implementation of hold harmless provisions depends on year-to-year variations in the numbers of eligible children, and the number of Census-Orshansky children remains constant between decennial surveys. States that employ allocations for which yearly data are more sensitive to migratory trends are thus more likely to have more districts whose allocations are held harmless.

Table 3.2 also displays the percent of each state's Title I funds that are allocated to hold harmless districts. In states in the sample using formulas similar or equivalent to the statutory formula, a maximum of 4 percent of the state's funds are in hold harmless districts. For other states the maximum is 9 percent.

In most states shown in Table 3.2, a majority of districts were in a county which contained at least one district whose allocation was held harmless. Each of these districts "neighboring" a hold harmless district receives a Title I allocation which is less than its proportional share of its county's allocation. The extent to which the allocation is less than its proportional share depends on the amount of the county's Title I funds actually held harmless.

In order to analyze the impact of hold harmless provisions, district entitlements were compared with actual district allocations. Allocations for the most part differ from entitlements only by the implementation of hold harmless provisions. The results are presented in Table 3.3.

Although more than 20 percent of the districts in each of the states in the sample using total AFDC as a subcounty allocator are held harmless, less than two percent of each state's Title I funds would shift among districts, if hold harmless provisions at the district level were dropped. Generally less than 1 percent of a state's Title I funds would shift in states using formulas similar or equivalent to the statutory formula.

Although a majority of districts in a state "neighbor" a hold harmless district, generally less than 5 percent of each state's districts gain a dollar amount more than one-half the state's average teacher's salary. Only in Massachusetts is this percentage exceeded (See Table 3.3).

Table 3.3

IMPACT OF REMOVING HOLD HARMLESS PROVISIONS

Formula/State	Number of Districts Included in Analysis[1]	Percent of State's Money That Would Shift Among Districts Within Their Counties if There Were No Hold Harmless	Districts Gaining More Than ½ The State's Average Teacher's Salary[2]			Districts Losing More Than ½ The State's Average Teacher's Salary[2]		
			Number	Percent	Average Percentage Gain In District Entitlements	Number	Percent	Average Percentage Loss In District Entitlements
TOTAL AFDC								
California	1,039	0.4	9	1	25	8	1	-19
Massachusetts[1]	349	1.8	23	7	20	29	8	-47
Missouri	566	1.5	20	4	14	16	3	-37
SIMILAR TO STATUTORY								
Indiana[1]	265	1.1	10	4	8	11	4	-42
New York	737	0.7	40	5	21	40	5	-27
Utah	40	0.1	0	--	--	0	--	--
Vermont[1]	240	3.7	1	--	5	4	2	-42
Virginia	131	0.0	0	--	--	0	--	--
STATUTORY								
Connecticut	164	0.1	0	--	--	1	1	-59
Georgia	188	0.1	3	2	14	4	2	-35
Idaho[1]	75	0.0	0	--	--	0	--	--
Illinois[1]	731	0.4	5	1	10	12	2	-40
Kentucky[1]	180	0.3	4	2	6	5	3	-40
Michigan[1]	368	0.7	2	1	39	9	2	-24
Minnesota[1]	197	0.5	4	2	51	8	4	-64
New Mexico[1]	74	0.0	0	--	--	0	--	--
Pennsylvania[1]	430	0.1	1	--	1	3	1	-38
Rhode Island	40	0.0	0	--	--	0	--	--
Texas	1,127	0.9	32	3	51	34	3	-54
Wisconsin[1]	252	0.3	3	1	11	1	--	-44
OTHER								
Fixed Percent Based on 1960 Census								
Louisiana	66	0.0	0	--	--	0	--	--
Local Agreement								
North Carolina	146	0.2	0	--	--	2	1	-34
AFDC + Free Lunch								
Arkansas[1]	295	0.8	10	3	9	13	4	-23
Census < $3000								
Arizona	239	0.4	1	0	2	2	1	-40

1/ Data were not available for cross-county districts. Therefore, only subcounty district data were used in the calculations.

2/ The State's Average Teacher's Salary for FY 1976 ranges from $9,314 to $19,312 in the Nation. See Table B.4 in the Appendix.

Similarly, few hold harmless districts would lose significant dollar amounts; less than 4 percent of each state's districts would lose more than one-half the average teacher's salary in the state. In most states, however, hold harmless districts on the average, would lose a significant percentage of their allocation if hold harmless provisions were dropped.

Influence of Formula on District Allocations

In the previous Chapter, district allocations under current state allocation formulas were compared with allocations using a formula approximating the statutory formula. The influence of variations in allocation formulas is extended in this section by examining the change in district allocations and entitlements that would occur if subcounty allocation was performed using a formula based on Census-Orshansky poverty data instead of state formulas.

The percent of each state's Title I funds that would shift among districts through using a Census-Orshansky formula instead of current state formulas is shown in Table 3.4. In order to illustrate again the influence of hold harmless provisions, two percentages are shown for each state: the first is the result of comparing entitlements calculated using Census-Orshansky data with current district allocations, the second is the result of comparing entitlements calculated using Census-Orshansky data with current district entitlements.

The two percentages for each state are nearly equivalent, again indicating that the overall influence of hold harmless provisions on the distribution of Title I funds is small. The largest differences (about one percent) are found in Massachusetts, Missouri and Indiana, the three states whose allocations were affected the most by the removal of district hold harmless provisions.

The states with the largest dollar shifts (about 10 percent) among districts are in California, Massachusetts, and Missouri, the three states using AFDC as an allocation formula.

The percentage shifts in states using formulas similar or equivalent to the statutory formula are all less than 6.5 percent. The impact of a shift to a Census formula

Table 3.4

ESTIMATED PERCENT OF STATE'S TITLE I FUNDS THAT WOULD SHIFT AMONG DISTRICTS1/ IN A SHIFT TO USING CENSUS ORSHANSKY2/ FORMULA INSTEAD OF CURRENT STATE FORMULAS FOR SUBCOUNTY ALLOCATION

Formula/State	Estimate Using Current Allocations3/ (Percent)	Estimate Using Current Entitlements3/ (Percent)
TOTAL AFDC		
California	9.9	9.9
Massachusetts4/	9.2	10.0
Missouri	10.4	11.2
SIMILAR TO STATUTORY		
Indiana4/	2.2	1.3
New York	3.4	3.1
Utah	2.2	2.2
Vermont4/	6.4	6.1
Virginia	0.0	0.0
STATUTORY		
Connecticut	5.1	5.2
Georgia	1.1	1.0
Idaho4/	5.2	5.1
Illinois4/	3.3	3.3
Kentucky4/	0.7	0.5
Michigan4/	3.6	3.4
Minnesota4/	2.1	2.0
New Mexico4/	2.1	2.1
Pennsylvania4/	2.6	2.6
Rhode Island	2.5	2.5
Texas	4.2	4.1
Wisconsin4/	2.8	2.8
OTHER		
Louisiana	0.2	0.2
North Carolina	3.2	3.2
Arkansas4/	5.8	5.5
Arizona	15.7	15.7

1/ Includes only elementary and unified school districts which received Title I funds and for which Census data were available.

2/ Source of Census data is U.S.O.E. Special Tabulation by school district.

3/ The percentages shown for each state represent the sum of the changes that would occur in Title I funds for each district in the state divided by the state's total Title I funds. The changes in each district's allocations were estimated in two ways: the first compared FY 1976 district allocations with calculated entitlements using a Census Orshansky formula; the second compared FY 1976 district entitlements with calculated Census entitlements. FY 1976 entitlements were calculated from data on state-defined eligible children obtained from U.S.O.E. files.

4/ Data were not available for cross county districts. Therefore, only subcounty district data were used in the calculations.

versus a shift to a formula approximating the statutory formula is shown in Table 3.5 for those states in the sample using non-statutory formulas. The percentages are nearly equivalent in all cases. The largest difference is one percent.

Examples of the impact of formula changes for specific districts in the states using AFDC data only are shown in Table 3.6. The percent change in allocations is displayed for metropolitan central city districts with enrollments over 25,000. The results indicate that a shift to a Census-Orshansky based formula would cause a slightly greater change in allocations for these districts. In general, districts gaining or losing funds under Census would not gain or lose as much under a formula approximating the statutory formula.

The effects of a shift to using a Census-Orshansky formula on districts with particular demographic characteristics follows the patterns of effects found for a shift to using a formula approximating the statutory formula. Detailed tables may be found in Appendix B.

Influence of Source of Census Data on District Allocations

In FY 1976, 35 of the 46 states performing subcounty allocation employed Census data as a component in their allocation formulas. Each of these states used one of the following four different Census tabulations to obtain counts of eligible poor children by school district:

1. USOE Special Tabulations by School District (OE-SD);
2. USOE Special Tabulation by Minor Civil Division and Place (OE-MCD);
3. Bureau of Census Fourth Count Tabulation (Fourth Count);
4. Bureau of the Census Fifth Count Tabulation (Fifth Count).

Although each source tabulates counts of poor children, differences in aggregation and sampling procedures may

Table 3.5

COMPARISON OF THE IMPACT OF USING CENSUS ORSHANSKY FORMULA VERSUS A FORMULA APPROXIMATING THE STATUTORY FORMULA INSTEAD OF CURRENT STATE FORMULAS FOR SUBCOUNTY ALLOCATION

	Percent of State's Title I Allocation That Would Shift Among Districts1/ In A Shift From Using Current State Formula to Using:	
	Formula Approximating Statutory	Census Orshansky Formula2/
TOTAL AFDC		
California	11.0	9.9
Massachusetts	8.3	9.2
Missouri	11.0	10.4
SIMILAR TO STATUTORY		
Indiana	2.9	2.2
New York	4.3	3.4
Utah	2.7	2.2
Vermont	6.0	6.4
Virginia	0.0	0.0
OTHER		
Louisiana	0.2	0.2
North Carolina	3.0	3.2

1/ Includes only elementary and unified school districts which received Title I funds and for which Census data were available.

2/ Source of Census data is U.S.O.E. Special Tabulation by School District.

Table 3.6

COMPARISON OF THE IMPACT OF USING CENSUS ORSHANSKY FORMULA VERSUS A FORMULA APPROXIMATING THE STATUTORY FORMULA INSTEAD OF CURRENT STATE FORMULAS FOR SUBCOUNTY ALLOCATION ON

METROPOLITAN CENTRAL CITIES WITH ENROLLMENTS OVER 25,000

State/School District	FY 1976 Title I Allocation (In Thousands of Dollars)	Percent Change Using Formula Approximating Statutory	Percent Change Using Census Orshansky Formula
CALIFORNIA1/			
Fresno	2,992	-19	-21
Santa Ana	927	-19	-20
Oakland	4,143	-14	-16
Stockton	1,855	-13	-13
Sacramento	1,906	-6	-7
San Bernadino City	1,680	-5	-5
Long Beach	2,171	-2	-3
San Francisco2/	4,110	0	0
Los Angeles	26,814	+1	+1
San Diego	3,660	+5	+5
MASSACHUSETTS			
Springfield	1,770	-16	-17
Worcester	1,195	-13	-16
Boston	7,424	0	0
MISSOURI			
Springfield R-12	625	-13	-13
Kansas City	2,967	-8	-8
St. Louis2/	6,492	0	0

1/ FY 1976 allocations to districts in California do not include funds for neglected and delinquent children.

2/ District is coterminous with county, and therefore allocation is already based on statutory formula.

produce different estimates of the "true" count. As a result, the distribution of Title I funds among districts within counties may be affected by a state's choice of a source for Census data.

The results of the previous section were obtained through a comparison of current district allocations (and entitlements) with entitlements based on Census-Orshansky data. These data were obtained from the USOE Special Census Tabulation by School District. It is possible that a portion of the dollar shifts found (in Table 3.4) were not in fact the effect of the formula change, but were the effects of a shift in Census data tabulation from each states' choice to the USOE Special Tabulation.

In order to examine the influence of the choice of Census data source, district entitlements were compared with entitlements the districts would have received using data from one particular source, the OE-SD tabulation.

This analysis requires actual counts used by the state for Census eligibles as well as total counts of state-defined eligible children. Data were obtained for nine states: three employ the OE-MCD tabulation, one the Fourth Count tabulation, and five the OE-SD tabulation. Data could not be obtained for the one state (Illinois) that employs the Fifth Count tabulation. States that use the OE-SD tabulation were included to examine whether the distribution of district grants was not only influenced by source, but also by state procedures in employing the data in the allocation process.

In the four states not employing the OE-SD tabulation, generally less than 3 percent of a state's Title I funds would shift among districts (see Table 3.7). Except in Idaho, the shifts in the states using the OE-SD tabulation would be less than one percent.

In three of the four states not employing the OE-SD tabulation, more than 20 percent of each state's districts would gain or lose more than one-half of the average teacher salary in the state. Except in Idaho, less than 10 percent of each state's districts would gain or lose similar amounts.

No clear explanation is available for the relatively large effects found in Idaho. In states using the OE-SD tabulation, counts of Census eligible children may differ from published

Table 3.7

IMPACT OF USING U.S.O.E. SPECIAL CENSUS TABULATIONS IN CENSUS COMPONENTS OF SUBCOUNTY ALLOCATION FORMULAS IN PLACE OF CENSUS TABULATIONS CHOSEN BY THE STATE1/

Data Source/State	Percentage of the State's Allocation That Would Shift If the O.E. Special Tabulation by School District Were Used by the State in Place of The Current Data Source	Districts Gaining More Than ½ The State's Average Teacher's Salary			Districts Losing More Than ½ The State's Average Teacher's Salary		
		Number	Percent	Average Percentage Gain in District Allocations	Number	Percent	Average Percentage Loss in District Allocations
O.E. SPECIAL TABULATION BY SCHOOL DISTRICT							
Connecticut	1.0%	2	1%	86%	11	7%	20%
Idaho	5.0	11	10	37	15	13	39
Indiana	0.8	9	3	11	12	4	16
Minnesota	1.1	7	2	8	16	4	25
New York	0.2	15	2	62	4	1	21
O.E. TABULATION BY MINOR CIVIL DIVISION							
New Mexico	2.1	10	11	17	16	18	17
Utah	0.7	2	5	8	1	3	24
Wisconsin	2.4	28	6	70	29	7	21
CENSUS BUREAU FOURTH COUNT TAPES BY TRACT AND MINOR CIVIL DIVISION							
Rhode Island	2.1	5	13	214	6	15	11

1/ Only for school districts where Census data were available from the state and from U.S.O.E. special tabulation by school district.

tabulations as a result of state adjustments to account for local situations, such as school district boundary changes and overlapping elementary and secondary school districts. In addition, a state's procedures for apportioning county Census counts for districts with enrollments under 300 may influence the Census counts for districts with over 300 students.[1] This may be a contributing factor in Idaho, which is reported to use attendance and free lunch data for apportioning Census data for districts under 300.

Table 3.8 compares the influence of data source with that of formula in subcounty allocation. The results indicate that in the states using the statutory formula, much of the dollar shifts that would occur in a shift to using a Census Orshansky allocation formula are comparable to the shifts that would occur if the statutory formula were retained but the data source changed. In New Mexico, in which AFDC above poverty is zero, the formula change is in fact strictly equal to a source change.

Summary

In this chapter the individual influences of subcounty allocation factors have been examined. The main findings are.

- The influence of hold harmless provisions on the overall distribution of Title I funds to districts within a state is small. Although as much as 20 percent of a state's districts may have allocations held harmless, less than two percent of the state's Title I funds would shift if district hold harmless provisions were dropped.

- Few districts in a state would lose more than one-half the average teacher's salary in the state if hold harmless provisions were dropped. However, the small dollar loses may constitute a significant percentage of the allocation of a hold harmless district.

- The influence of formula choice on the distribution of Title I funds to districts within counties is greatest in states emphasizing AFDC as an allocator. These

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[1] The OE-SD tabulation does not tabulate data for the districts with enrollments under 300. States must use other tabulation or estimation techniques to obtain data for these districts. See Volume I of this study.

Table 3.8

COMPARISON OF IMPACT OF CHOICE OF SUBCOUNTY ALLOCATION FORMULA AND CHOICE OF CENSUS DATA TABULATION

Formula/Source/State	Percent of State's Title I Funds That Would Shift Among Districts1/ Resulting From a Change In:	
	Data Source2/	Allocation Formula3/
STATUTORY		
OE-SD		
Connecticut	1.0	5.2
Idaho	5.0	5.1
Minnesota	1.1	2.0
OE-MCD		
New Mexico	2.1	2.1
Wisconsin	2.4	2.8
Fourth Count		
Rhode Island	2.1	2.5
SIMILAR TO STATUTORY		
OE-SD		
Indiana	0.8	1.3
New York	0.2	3.1
OE-MCD		
Utah	0.7	2.2

1/ Includes only elementary and unified school districts which received Title I funds and for which Census data were available.

2/ Data source change is from states' chosen source to OE-SD tabulation.

3/ Formula change is from states' current formulas to Census Orshansky formula.

states would experience the greatest percent shift in funds among districts if instead of current state formulas, a formula based on Census Orshansky data or approximating the statutory formula were to be used.

In a shift to using a formula based on Census Orshansky data alone, less than 6.5 percent of each state's Title I funds would shift in states using formulas similar or equivalent to the statutory formula.

- A shift to a Census Orshansky formula would affect allocations of districts with particular demographic characteristics in the same manner as a shift to a formula approximating the statutory formula. Central city, urban and high minority districts would generally lose funds while suburban districts and high poverty districts would gain funds.

- The choice of Census tabulation for sub-county allocation data may cause roughly three percent of a state's Title I funds to shift among districts in the state. Other state adjustments which differentiate published data from data used by the states may produce a shift of funds as large as five percent, but more generally only one percent.

- In a sample of states using the statutory formula, the state's choice of Census data source has the same impact on the distribution of district allocations as the impact of a shift to using a Census Orshansky allocation formula instead of the statutory formula.

Chapter 4. IMPACT OF USING SUBSTATE INSTEAD OF SUBCOUNTY ALLOCATION PROCEDURES

Introduction

An alternative procedure for allocating Title I funds to school districts within states is to allow states to perform substate allocation[1] instead of subcounty allocation. In substate allocation, each district receives an allocation based on its share of its state's, rather than its county's, Title I funds.

In this chapter, two main questions concerning substate allocation are examined.

- How would the choice to allocate funds to districts by substate instead of subcounty allocation affect district allocations?
- Would districts with particular demographic characteristics be affected more than other districts?

Before these questions are addressed on a state-by-state basis, an example is presented to compare subcounty and substate procedures.

Subcounty versus Substate Allocation: An Example

In subcounty allocation, each district receives a fractional share of its county's Title I funds based on a formula chosen by the state. In the states using non-statutory formulas

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[1] Two types of substate allocation are considered in Volumes III and IV of this study: single formula substate allocation and multiple formula substate allocation. This chapter analyzes the impact on the distribution of Title I allocations to districts for multiple formula substate allocation, the type in which current allocation formulas are used but the county tier is eliminated. The other type is akin to using the statutory formula for subcounty allocation, since subcounty and substate allocation using the statutory formula result in essentially equivalent allocations for districts. They differ only by the influence of hold harmless provisions.

a district's fractional share is calculated on a different basis than is used to calculate the county's funds. The net result is that two districts with the same number of eligible children as defined by the state may receive different allocations if they are in different counties. The following example demonstrates this result of the two-tier system of subcounty allocation.

To distribute Title I funds to districts, the state of California defines eligible children as the total number of children in families receiving AFDC payments (referred to as total AFDC). The Berkeley school district in Alameda county and the Hacienda-La Puente school district in Los Angeles County have nearly equal numbers of total AFDC children (2,590 and 2,584, respectively). However, in FY 1976 Hacienda-La Puente received $479,838 while Berkeley received $545,178, or 14 percent more.

The explanation is that in Los Angeles County (in which Hacienda-La Puente is situated) the ratio of total AFDC to statutory eligible children is more than that in Alameda county. Thus, while Los Angeles County and Alameda County receive nearly the same Title I funds per statutory eligible ($181.50), school districts in Alameda County receive $211.00 per AFDC child while school districts in Los Angeles County receive $186.00 per AFDC child, or 14 percent less.

This example illustrates that under current subcounty allocation procedures, a district's allocation depends on the county in which it is located. The variation that may occur as a result of its county location depends on the county-to-county variation within the state of the ratio of statutory eligible children to state-defined eligible children.

Under substate allocation, a district's allocation is independent of its county location within a state. In this example, Berkeley and Hacienda-La Puente would receive the same Title I grant, since they have the same fraction of the state's AFDC eligible children.

Analysis Methods

In order to examine the impact of shifting from subcounty to substate allocation procedures, substate allocations were calculated and compared with current subcounty allocations

for each district in the sample states described in Chapter 3. It was assumed that allocations that were held harmless under subcounty allocation procedures would be held harmless under substate procedures. This required a knowledge of which districts had their allocations held harmless.[1]

The analysis procedure is illustrated using the two California school districts mentioned earlier. Berkeley and Hacienda-La Puente both contain roughly one-half percent of California's AFDC eligible children. Under substate allocation, each district therefore would receive one-half percent of the state's Title I funds, or approximately $559,000. Thus, Berkeley's allocation would increase by almost $14,000 and Hacienda-La Puente by almost $79,000.

In order to examine the impact on a state basis, the dollar changes, as illustrated in this example, were summed to the state level and compared to the state's total Title I funds.

State-By-State Impact

The impact of employing substate rather than subcounty allocation procedures are displayed in Table 4.1 for a sample of twelve states. In two states, California and Missouri, the percentage of the state's Title I funds that would shift among districts is significant, (8.2 percent and 17.1 percent, respectively). Both states employ total AFDC to define eligible children. In only two other states does the percentage exceed two percent. In Massachusetts, another total AFDC state, the shift is 2.4 percent, while in Utah, which uses AFDC equally with Census Orshansky counts to define eligible children, the shift is 4.2 percent.

In terms of actual dollars, Table 4.1 also shows that in California, Massachusetts, Utah and North Carolina over 30 percent of the districts would gain or lose an amount greater than one-half the average teacher salary in the state.

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[1] See Appendix A for further details.

Table 4.1

IMPACT OF USING SUBSTATE INSTEAD OF SUBCOUNTY ALLOCATION PROCEDURES1/

Formula/State	Percent of State's Title I Allocation That Would Shift If Substate Allocation Were Used Instead of Subcounty Allocation	Percent of State's Districts Gaining Or Losing More Than ½ Average Teacher's Salary in State2/
TOTAL AFDC		
California	8.2	33
Massachusetts	2.4	13
Missouri	17.1	44
SIMILAR TO STATUTORY		
Indiana	1.6	9
Utah	4.2	63
Virginia	0.9	12
STATUTORY		
Connecticut	0.1	1
Illinois	0.0	0.1
New Mexico	0.5	6
OTHER		
North Carolina	1.2	47
Arkansas	0.6	4
Arizona	0.7	1

1/ For states where hold harmless information was available in this analysis. Held harmless districts maintain their current allocation.

2/ The State's Average Teacher's Salary for FY 1976 ranges from $9,314 to $19,312 in the Nation. See Table B.4 in Appendix B.

The following patterns are thus evident:

- District allocations in states using subcounty formulas equivalent or similar to the statutory formula would be little affected by a change to substate allocation.
- States using AFDC counts for subcounty allocation would generally experience significant changes in allocations.

In states employing a subcounty allocation formula similar or equivalent to the statutory formula to define eligible children, statutory and state defined eligible children are distributed among counties in roughly equivalent numbers. The county-to-county variation in the ratio of statutory to state-defined eligible children is thus small, and district allocations would be relatively unaffected by a shift to substate allocation.

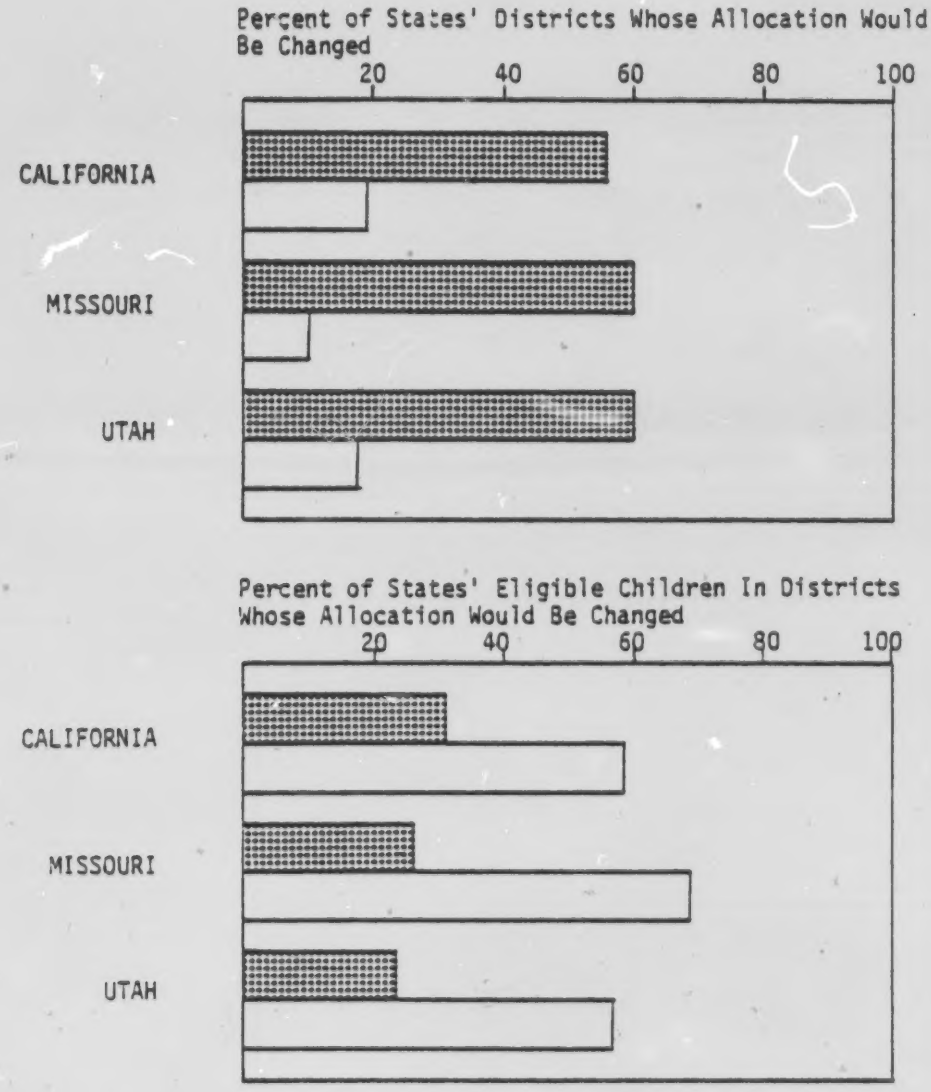
In states employing a subcounty allocation formula differing substantially from the statutory formula, such as AFDC counts, statutory eligibles are likely to be distributed among counties much differently than the state defined eligibles. In those states, such as California and Missouri, a shift to substate allocation from subcounty allocation procedures has a significant impact.

The results for Massachusetts, however, illustrate that the impact may be moderated by the effects of county vs. school district geographies. Massachusetts is a geographically small state with relatively few counties compared to school districts. The county location of a school district is thus less important than in California or Missouri where the relative number of counties is larger and the county-to-county demographic differences are larger.

Table 4.2 differentiates districts that would gain from those that would lose in California, Missouri and Utah, the states experiencing the largest dollar shifts. The results indicate that approximately 60 percent of the districts in these states would lose more than five percent of their current allocation, while less than 20 percent would gain more than five percent. However, there are fewer eligible children in the 60 percent losing than in the 20 percent gaining five percent of their allocation. In fact, more than a majority of the state-defined eligible children in each state are in districts that would gain more than five percent of their allocation.

Table 4.2

IMPACT ON DISTRICT ALLOCATIONS OF A SHIFT TO USING SUBSTATE INSTEAD OF SUBCOUNTY ALLOCATION PROCEDURES



A shift to substate allocation appears then to favor in these states, districts with large numbers of state-defined eligible children.

In the next section, the impact of using substate allocation instead of subcounty allocation on districts with particular characteristics is examined further.

Impact on Particular Types of Districts

Districts with particular characteristics may be differently affected if the state-defined eligible children (e.g., AFDC children) are more concentrated than statutory children in areas with those characteristics. For example, consider a metropolitan central city district and a rural district located in a state which employs AFDC to define eligible children. Assume also for simplicity that both districts are also coterminous with their respective counties so that each receives a Title I allocation based on the number of statutory eligibles and not on the number of AFDC children. In a shift to using substate allocation, each district would receive funds based on the number of state-defined eligible children, AFDC children in the example. Thus, if AFDC children are more concentrated than statutory children in metropolitan central city areas than in rural areas, the metropolitan central city district would benefit more by a shift to substate allocation than the rural area.

If all districts were coterminous with counties, the effect would be nearly equivalent to changing the allocation formula. However, most districts are not coterminous and therefore the impact on districts with particular characteristics is also influenced by the county in which they are located.

In order to analyze therefore, the potential impact of a shift to substate allocation on districts with particular characteristics, the variation in the average district entitlement[1] per state-defined eligible child was examined for several demographic characteristics. District entitlements per state-defined eligible child vary to the same extent that state-defined eligibles are distributed differently from statutory eligibles within the state.

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[1] Entitlements in this context are district allocations prior to the application of hold harmless provisions at the district level.

In a shift to substate allocation, those districts whose current entitlement per state-defined eligible child is less than the statewide average will gain funds, while those that exceed the statewide average will lose.

District entitlements per eligible child were examined for four demographic characteristics: poverty concentration, urban/metro status minority concentration and enrollment.

The variations of the average entitlements per state-defined eligible child for different demographic characteristics are displayed in Figures 4.3-4.5. In order to compare the results for districts in one state with those in another, the statewide averages have all been adjusted to equal $100. Since under substate allocation, each district would receive the statewide average ($100 in the Tables), the amount above or below 100 is related to the percentage of a district's allocation that would be lost or gained, respectively.

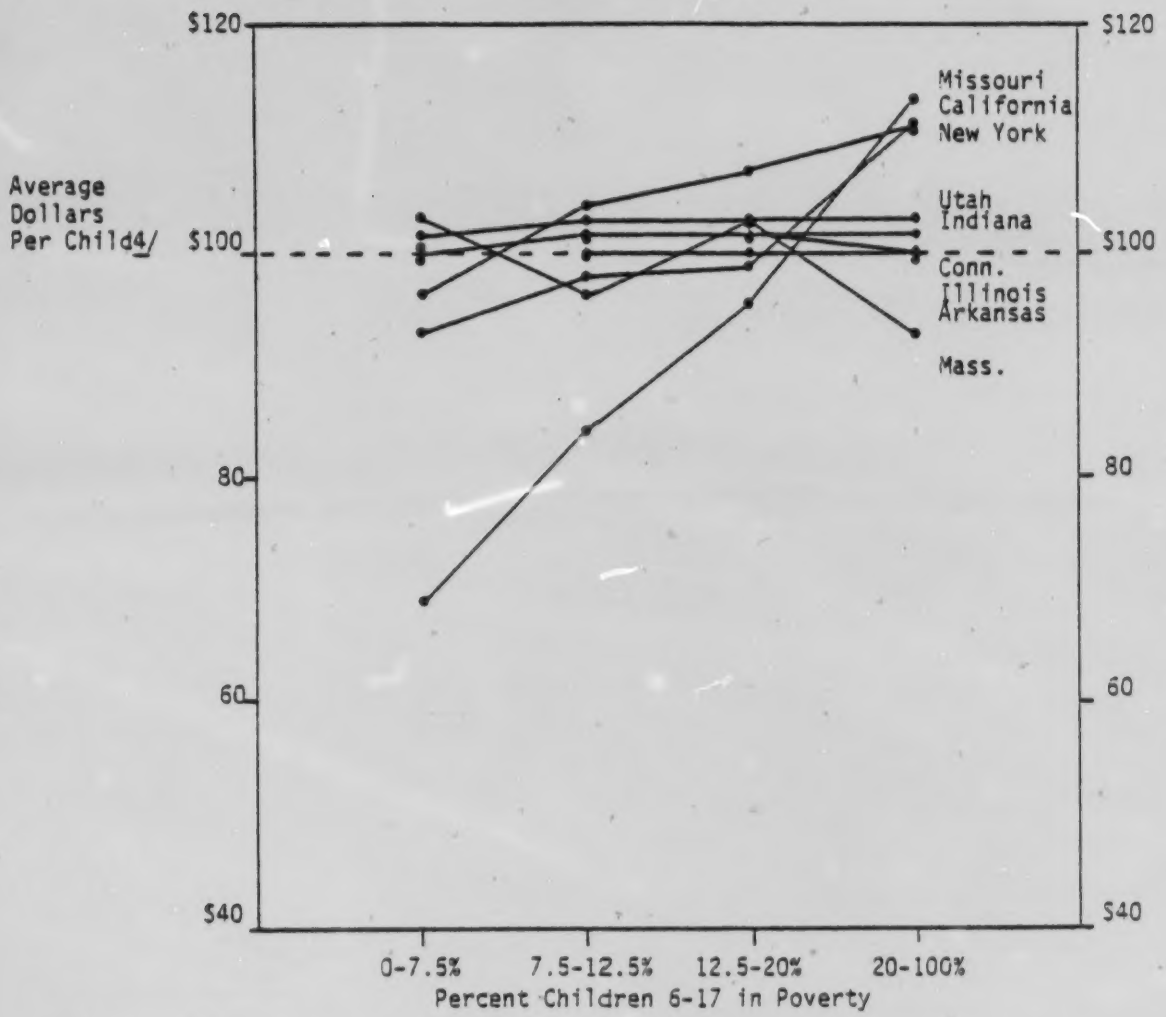
Tables 4.3-4.5 show that in a shift to substate allocation, changes in district allocation are most associated with demographic characteristics in California and Missouri, the two states which use AFDC as an allocator and were predicted to have the largest overall dollar shifts among districts.

Table 4.3 displays the average entitlements per eligible child by poverty rate. In California and Missouri, the current average entitlements per state eligible child increase markedly with higher concentrations of Census-Orshansky poor children. As a result, districts in California and Missouri with poverty rates greater than 20 percent would on the average lose 12 percent of their allocations. In Missouri, districts with very low poverty rates (as defined by Census data) would gain on the average 31 percent of their allocations. The variations with poverty rate are much less in states using other types of subcounty allocation formulas (see Table 4.3).

Although districts in Missouri with high poverty rates would on the average lose funds, nearly 70 percent of the eligible children in these districts are in districts that would gain more than 40 percent of their allocation. In other words, there are many high poverty districts with few eligible children that lose funds, and a few high poverty districts with many eligible children that gain funds in a shift to substate allocation.

Table 4.3

VARIATIONS IN DISTRICT ENTITLEMENTS PER ELIGIBLE CHILD1/
WITH DISTRICT POVERTY RATE2/
BY FORMULA TYPE3/ AND STATE



1/ Eligible Child as defined by the state.

2/ Poverty is defined as the Orshansky poverty level.

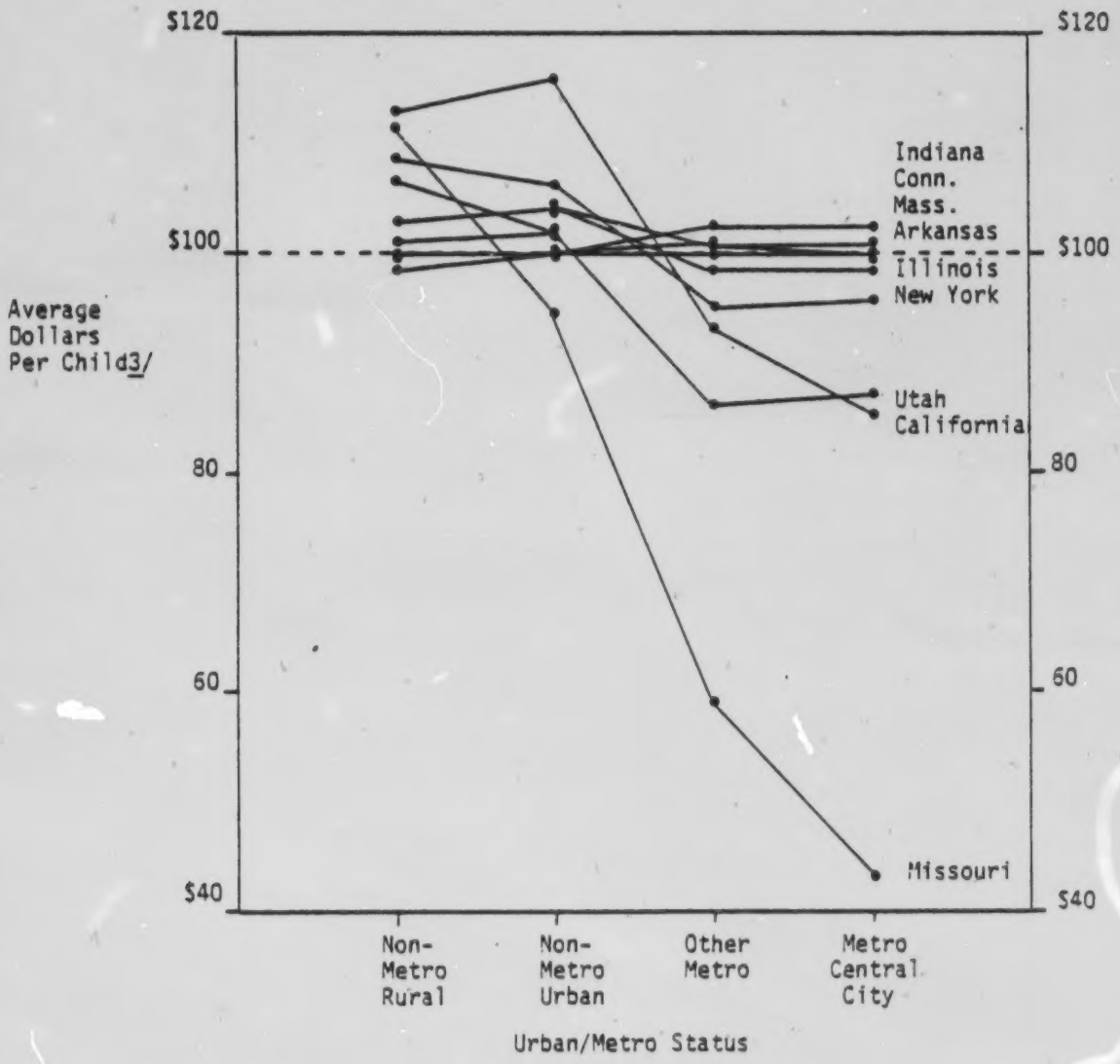
3/ Formula for each state:

Total AFDC - California, Massachusetts, Missouri;
Similar to Statutory - Indiana, New York, Utah;
Free Lunch + AFDC - Arkansas;
Statutory - Connecticut, Illinois.

4/ For each state, the average dollars per child over all districts was normalized to $100 per child.

Table 4.4

VARIATIONS IN DISTRICT ENTITLEMENTS PER ELIGIBLE CHILD1/
WITH DISTRICT URBAN/METRO STATUS
BY FORMULA TYPE2/ AND STATE



1/ Eligible Child as defined by the state.

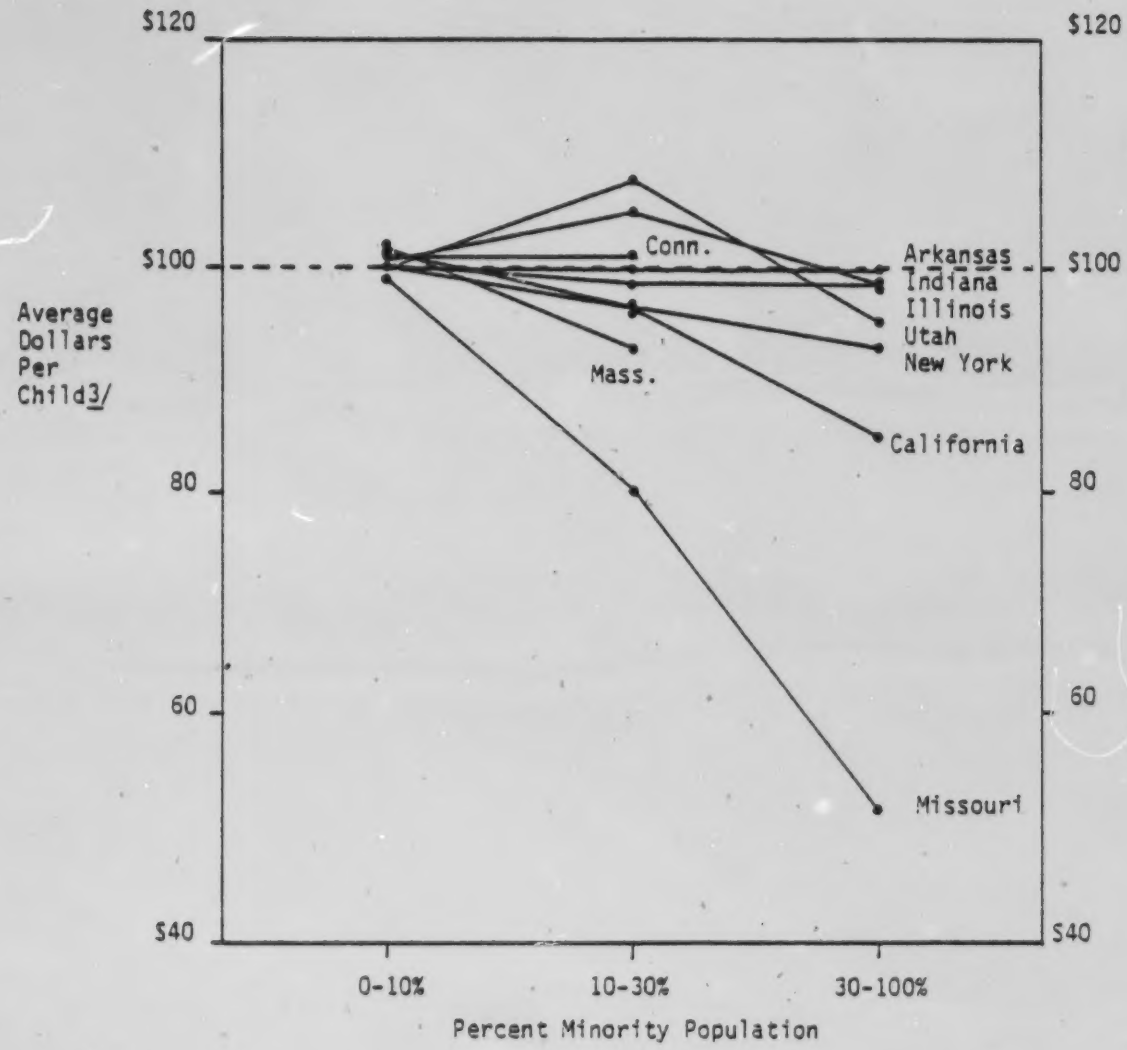
2/ Formula for each state:

Total AFDC - California, Massachusetts, Missouri;
Similar to Statutory - Indiana, New York, Utah;
Free Lunch + AFDC - Arkansas;
Statutory - Connecticut, Illinois.

3/ For each state, the average dollars per child over all districts was normalized to $100 per child.

Table 4.5

VARIATIONS IN DISTRICT ENTITLEMENTS PER ELIGIBLE CHILD1/
WITH DISTRICT PERCENT MINORITY POPULATION
BY FORMULA TYPE2/ AND STATE



1/ Eligible Child as defined by the state.

2/ Formula for each state:

Total AFDC - California, Massachusetts, Missouri;
Similar to Statutory - Indiana, New York, Utah;
Free Lunch + AFDC - Arkansas;
Statutory - Connecticut, Illinois.

3/ For each state, the average dollars per child over all districts was normalized to $100 per child.

Variations with urban/metro status follow a pattern similar to those found with poverty rate. Rural districts in California and Missouri would on the average lose 12 percent, while metropolitan central city districts would gain on the average 14 percent in California and 58 percent in Missouri. (See Table 4.4).

Table 4.5 demonstrates that similar results would be found for districts with different minority concentrations. High minority districts (which are few in number in California and Missouri) would on the average gain in a shift to substate allocation.

Individual comparisons of substate entitlements with current entitlements for districts with particular characteristics follow the patterns predicted from these results on average entitlements per eligible child. Sixty-three percent of the eligible children in rural districts in California are in districts that would lose more than five percent of their entitlement; 69 percent of those in central city districts are in districts that would gain more than five percent. Similar percentages are found in Missouri. (Detailed tables are presented in Appendix B for California, Massachusetts and Missouri.)

In summary,

- In most states, a shift from subcounty to substate allocation procedures would not on the average significantly favor nor disfavor districts with particular demographic characteristics. However, in California and Missouri, two of the three states in the sample using AFDC as a subcounty allocator, a shift in procedures would significantly favor districts with particular characteristics over other districts. These states are the two states that experience the largest overall shift of funds within the state.

- In California and Missouri, central cities and suburbs would receive increased entitlements, while non-metropolitan urban and rural districts would receive decreased entitlements.

- In California and Missouri, districts with high minority concentrations would also, on the average, receive increased entitlements, while districts with high Census poverty rates would receive decreased entitlements. In Missouri, however, where there are a large number of small districts, most of the eligible children in high poverty districts are in the few high poverty districts that would receive increased entitlements.

APPENDIX A

Description of Analyses

In this appendix, a detailed description is given of the calculations performed for each of the analyses presented in the main text. The description begins with definitions of the symbols that will be used. While the use of symbols makes the discussion more abstract, it also enables the discussion to be exact and concise.

The definitions are followed by: a description of current allocation procedures in terms of the defined symbols; definitions of the measures employed to describe the changes produced in district Title I funds through changes in formulas and procedures; and descriptions of the hold harmless, data source, Census formula, statutory formula and substate analyses. The last section discusses the sources of data for the analyses.

1. Definitions

$\$_d$ = actual FY 1976 Title I allocation to school district

$\$_c$ = actual FY 1976 Title I allocation to county

$\$_s$ = total FY 1976 Title I funds to state's districts

T_d = number of Title I (statutory) eligible children in district

T_c = number of Title I (statutory) eligible children in county

T_s = number of Title I (statutory) eligible children in state

E_d = number of children eligible to receive Title I funds in district according to state's allocation formula

E_c = number of children eligible to receive Title I funds in county according to state's allocation formula

E_s = number of children eligible to receive Title I funds in state according to state's allocation formula

C_d = number of Census-Orshansky children in district according to USOE Special Tabulation by school district

C_c = number of Census-Orshansky children in county according to USOE Special Tabulation by school district

A_d = number of total children in district in families receiving AFDC payments

A_c = number of total children in county in families receiving AFDC payments

A_d^+ = number of children in district in families receiving AFDC payments whose incomes are above the poverty level

A_c^+ = number of children in county in families receiving AFDC payments whose incomes are above the poverty level

E_d = FY 1976 Title I entitlement for district

E'_d = calculated district entitlement resulting from change in allocation procedures

$\$'_d$ = calculated district allocation resulting from change in allocation procedures

2. Current Allocation Procedures

Under current subcounty allocation procedures, a district's entitlement (E_d) is its fractional share of its county's allocation ($\$_c$). The fractional share is defined by the district's fraction of the county's eligible children.

$$E_d = (E_d/E_c)\$_c \qquad 2.1$$

The state's subcounty allocation formula defines the categories of children who are counted to obtain E_d and E_c.

In states which employ the statutory formula for subcounty allocation, the state-defined eligible children are equivalent to statutory eligible children:

$$E_d = T_d;\ E_c = T_c \qquad 2.2$$

Thus

$$E_d = (T_d/T_c)\$_c \qquad 2.3$$

Similarly, in states which formulas include only AFDC data,

$$E_d = A_d;\ E_c = A_c \qquad 2.4$$

and

$$E_d = (A_d/A_c)\$_c \qquad 2.5$$

In subcounty allocation, these relationships are strictly true only for districts which are fully contained within one county's boundaries. For districts which cross county boundaries, a district's entitlement is obtained by summing the separate entitlements for each district fragment in different counties.

$$E_d = E_d \text{ (in county 1)} + E_d \text{ (in county 2)} + \ldots$$

$$= \left[\frac{E_d \text{ (in county 1)}}{E_{c1}}\right]\$_{c1} + \left[\frac{E_d \text{ (in county 2)}}{E_{c2}}\right]\$_{c2}$$

$$+ \ldots \qquad 2.6$$

3. Measurement of Changes in District Title I Funds

In examining the impact of various changes in allocation formulas or procedures in this study, several different indicators of change were employed. They are:

$\Delta E_d = E'_d - E_d$ = dollar change in district's entitlement resulting from change in allocation formulas or procedures 3.1

$100(\Delta E_d / E_d)$ = percentage change in district's entitlement 3.2

$\Delta \$_d = \$'_d - \$_d$ = dollar change in district's allocation resulting from change in allocation formulas or procedures 3.3

$100(\Delta \$_d / \$_d)$ = percentage change in district's allocation. 3.4

In order to obtain a measure of the total impact within a state, the dollar changes for each district were summed (irrespective of sign) to the state level and compared with the state's total Title I funds:

P = percent of state's Title I allocation that would shift among districts

$$P = 100 \frac{\left[(1/2)\Sigma|\$'_d - \$_d|\right]}{\$_s} \quad 3.5$$

The one-half factor is included to account for the fact that the funds gained by a district are the funds lost by other districts; the funds that shift, therefore, are one-half the total of the funds gained by districts plus the funds lost by districts occurring as a result of a change in allocation procedures.

A similar indicator is defined for changes in entitlements:

$$P = 100 \frac{\left[(1/2)\Sigma|E'_d - E_d|\right]}{\$_s} \quad 3.6$$

4. Hold Harmless Analysis

The analysis of the impact of hold harmless provisions consisted of comparing FY 1976 district allocations with allocations the district would have received without hold harmless. Allocations without hold harmless are equivalent to entitlements;

$$\$'_d = E_d \qquad 4.1$$

and, therefore,

$$\Delta\$_d = E_d - \$_d \qquad 4.2$$

The analyses were performed for all districts in the 24 state sample (see Table 3.1). In several states, data for eligible children in fragments of a district in different counties were not available. For these states, cross-county districts were not included in the analysis. Tables were produced summarizing the results for the various measures of change (see Section 2). The tables are presented in Chapter 3, Section 1.

5. Data Tabulation Analysis

For several states, data were obtained not only on the total number of eligible children in a district as defined by the state's allocation formula, but also on the number of eligible children arising from each component of the state's formula. For example, if a state employed Census-Orshansky data and AFDC data to define eligible children:

$$E_d = C_d + A_d$$

then data were obtained on not only E_d, but also C_d and A_d.

In nine states, Census Orshansky component data were obtained in addition to data on E_d.

In order to analyze the impact of the choice of Census data source, a new value for each district's eligible children was calculated as follows: From the total number of eligible children in each district (E_d), the state's

value for Census-Orshansky children in the district was subtracted; to this quantity was added the USOE Special Tabulation value for Census-Orshansky children in the district.

$$E'_d = E_d - C_c \text{ (value used by state)} + C_c \text{ (OE-SD value)} \quad 5.1$$

District entitlements resulting from the change are:

$$E'_d = (E'_d/E_c)\$_c \quad 5.2$$

and the changes in entitlements are, therefore:

$$\Delta E_d = E'_d - E_d \quad 5.3$$

The results are presented in Table 3.7 in Chapter 3, Section 3.

6. Analysis of Shifting to Census-Orshansky Formula

In order to analyze the impact of using a Census-Orshansky formula instead of current state formulas, a district's entitlement was calculated from the district's fractional share of its county's Orshansky eligible children:

$$E'_d = (C_d/C_c)\$_c \quad 6.1$$

A similar calculation was performed for cross-county districts:

$$E'_d = \left[\frac{C_d \text{ (in county 1)}}{C_{c1}}\right]\$_{c1} + \left[\frac{C_d \text{ (in county 2)}}{C_{c2}}\right]\$_{c2} + \ldots \quad 6.2$$

In many states, elementary and secondary school districts are not unified and overlap the same geographical areas. For overlapping districts, the USOE Special Tabulation assigns the number of Orshansky children in a geographical area to both districts. If these counts are totaled to the county level, these children are double-counted. In order to avoid this systematic error, the analyses were performed only for unified and elementary school districts

and not high school districts. In other words, it was assumed that all Orshansky eligible children are in unified or elementary school districts and not in high school districts.

The change in district entitlements ΔE_d, was calculated for all districts for which Census data were available in the 24 state sample:

$$\Delta E_d = E'_d - E_d \qquad 6.3$$

In addition, the approximate change in district allocations were calculated by assuming that the district's changed allocation is approximately equal to its changed entitlement:

$$\$'_d = E'_d \qquad 6.4$$

so that

$$\Delta\$_d = \$'_d - \$_d = E'_d - \$_d \qquad 6.5$$

The results are summarized in Tables 3.4 - 3.6 of Chapter 3, Section 2. In addition, detailed results of the percentage change in district entitlements for districts with particular characteristics are presented in Tables B.5 - B.10 of Appendix B.

7. Analysis of Shifting to Formula Approximating Statutory Formula

The statutory formula for Title I eligible children is:

$$T_c = C_c + 2/3\, A_c^+ + \text{special populations} \qquad 7.1$$

The special populations term includes the number of children in institutions for neglected and delinquent children and the number of children in foster care.

In states not using the statutory formula for subcounty allocation, data for the AFDC above poverty term (A_c^+) and the special populations term are generally not available at the district (and county component) level. As a result, these terms need to be estimated in calculating the number of statutory eligible children at the district level. In the interest of obtaining a measure of the impact of mandating the statutory formula as the subcounty allocation formula for all states, the following approximations were made:

a. In states using AFDC as their subcounty allocation formula, district statutory eligible children (T_d) were set equal to the number of Census-Orshansky children (C_d) plus a fractional share of its county's AFDC above poverty (A_c^+). The fractional share was determined by the district's fraction of its county's total AFDC children (A_c).

$$T_d = C_d + (A_d/A_c)(2/3\ A_c^+) \qquad 7.2$$

Special populations were neglected.

b. In other states using non-statutory formulas (except New York), a similar approximation was made. The fractional share of the county's AFDC above poverty was determined by the district's fraction of its county's Census-Orshansky children (C_c)

$$T_d = C_d + (C_d/C_c)(2/3\ A_c^+) \qquad 7.3$$

Special populations were also neglected.

c. In New York State, data were available from the number of eligible children in AFDC families with incomes above the poverty level (A_d^+). In FY 1976, New York employed as their subcounty allocation formula the following:

$$E_d = C_d + A_d^+ + \text{special populations} \qquad 7.4$$

Estimates of the number of district statutory eligibles were therefore calculated as

$$T_d = C_d + 2/3\ A_d^+ \qquad 7.5$$

d. The entitlements were calculated from the estimated district's and county's statutory eligible children:

$$E_d' = (T_d/T_c)\$_c \qquad 7.6$$

e. For cross-county districts, district statutory eligible children and district statutory entitlements were more roughly calculated. Statutory eligible children and entitlements were not approximated for each county component of a district (as in equation 1.6 and 5.2, for Orshansky children). Statutory eligible children were assumed to be equal to Orshansky children:

$$T_d \approx C_d \qquad 7.7$$

Entitlements were obtained by multiplying the number of statutory eligible children (T_d) by the average allocation per statutory child in the state ($\$_s/T_s$):

$$E_d' = T_d(\$_s/T_s) \qquad 7.8$$

f. District allocations under a statutory formula ($\$_d'$) were assumed to be equal to district entitlements under the statutory formula (E_d'):

$$\$_d' = E_d' \qquad 7.9$$

Changes in district allocations are, therefore:

$$\Delta\$_d = E_d' - \$_d \qquad 7.10$$

As in the analysis for shifting to a Census-Orshansky formula, only the changes for unified and elementary school districts were calculated.

Results are presented in Tables 2.1 - 2.5 of Chapter 2 and Tables B.11 - B.16 of Appendix B for all states employing non-statutory formulas in FY 1976.[1]

8. Analysis of Shift to Substate Allocation

In the previous analyses, a district's new entitlement resulting from a shift in formula or data source was determined on the basis of its fractional share

[1]Except Hawaii, which performs subcounty allocation, but is considered by USOE as one school district.

of its county's eligible children (see equation 1.1). In substate allocation, a district's entitlement is based on its fractional share of its state's eligible children:

$$E'_d = (E_d/E_s)\$_s \qquad 8.1$$

This equation assumes that all of the state's Title I funds are available for distribution. In fact, a fraction of the funds are allocated to districts whose allocations are held harmless and are therefore not available for redistribtion. In some states, 8 percent of a state's funds are in hold harmless districts. (See Table 3.2)

In order to account for some of the effects of district level hold harmless provisions, it was assumed that districts that had their allocations held harmless under subcounty allocation would have their allocations held harmless under subcounty allocation. The total funds and eligible children in hold harmless districts in each state were summed and subtracted from the total state Title I funds and eligible children to obtain the funds, $\$_s$ (not held harmless), that could be distributed among the eligible children not in hold harmless districts, E_s (not held harmless).

$$E_s \text{ (not in hold harmless)} = E_s - \Sigma E_d \text{ (in hold harmless district)} \qquad 8.2$$

$$\$_s \text{ (not held harmless)} = \$_s - \Sigma \$_d \text{ (held harmless)} \qquad 8.3$$

A district's substate entitlement was calculated as

$$E'_d = [E_d/E_s \text{ (not in hold harmless)}] \times \$_s \text{ (not held harmless)} \qquad 8.4$$

Data were analyzed for all states in the 24 state sample for which hold harmless information was available. District substate allocations were assumed to be equal to the corrected entitlements:

$$\$'_d = E'_d$$

Results for the measures of changes in allocations are shown in Tables 4.1 - 4.4 of Chapter 4 and Tables B.17 - B.26 of Appendix B.

9. Sources of Data

Four sources of data were employed in the analyses; they are:

- USOE Special Census Tabulation by School District - This computer tape file provided data on the number of Census-Orshansky children in each county component of a district according to school boundaries in 1969-70 for all districts with enrollments over 300 students.

- The National Institute of Education State and County Files of Poverty Data - These computer tape files provided state and county level data on FY 1976 Title I allocations, statutory eligible children, Orshansky eligible children, AFDC above poverty eligible children, special population eligible children.

- The National Institute of Education School District File of Poverty Data - This computer tape file provided district level data on FY 1976 Title I allocations, average daily membership and attendance for all school districts in the USOE FY 1976 universe and Census poverty data for all 1973-74 districts with membership over 300. The poverty data consisted of counts of total persons and persons in poverty broken out by white, black and hispanic population, by urban/metro population and by age groupings. These data were employed to classify districts by non-white concentration, urban/metro status, and poverty rate.

- USOE Files of State Title I Tabulations - Many states submit each year tabulations by district of Title I allocations, and counts of eligible children used to calculate the allocations according to the state's allocation formula. Twenty-four such printed tabulations were available for FY 1976. These tabulations were coded, keypunched, edited and established as a computer tape file. Major efforts were required to match and assign USOE school district codes to the listing for each district.

Data from each of the files were merged to produce two master computer tape files: a file by state, school district and county component of school district; and a file by state and school district which contained all information on the first file aggregated to the school district level.

The universe of school districts on each file consisted of all school districts in the USOE FY 1976 universe on the NIE School District File of Poverty Data plus several districts still receiving Title I funds under former names - names used before they were consolidated with other districts.

Districts were classified as cross-county, if on the county-component file a district had a fragment in more than one county. If a district had only one county-component, it was classified as subcounty. If a county had only one district, the district was classified as coterminous. A few districts, such as New York City, were classified as multiply coterminous since they are coterminous with a group of counties. The Title I allocations to coterminous and multiply coterminous districts would be unaffected by any of the variations discussed in this report except substate allocation.

Analyses were performed using SPSS (Statistical Package for the Social Sciences) on the National Institute of Health's IBM/370 computer.

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TABLE B.1 FORMULAS USED FOR SUBCOUNTY ALLOCATION, BY STATE[1], FISCAL YEAR 1976

Same as Statutory Formula (1970 Census Orshansky[2] + 2/3 AFDC Above Poverty[3])	Similar to Statutory Formula	Current Total AFDC	Other
Alaska	Colorado - 1970 Census Orshansky[4] + a weighting of AFDC	California	Alabama - Agreement based on available data.
Connecticut	Hawaii - 1970 Census below $3,000 + 2/3 AFDC	Massachusetts	Arizona - 1970 Census below $3,000 Arkansas - Free lunch and all AFDC.(FY 1977)
Georgia - no AFDC above poverty	Indiana - 1970 Census Orshansky only	Missouri Montana	Delaware - 1971 AFDC above $2,000.
Idaho[4] Illinois	Nebraska - 1970 Census Orshansky[4] + all AFDC	Wyoming	Iowa - State Income Tax + all AFDC
Kansas Kentucky	New York - 1970 Census Orshansky + all AFDC above poverty		Louisiana - Fixed Percentage.
Maine	Utah - 1970 Census Orshansky + all AFDC		North Carolina - Agreement based on available data.
Michigan Minnesota Mississippi - no AFDC above poverty	Vermont - 1970 Census Orshansky + all AFDC above poverty		
New Hampshire New Jersey New Mexico - no AFDC above poverty	Virginia - 1970 Census Orshansky only		
North Dakota[4] Ohio Oklahoma Oregon Pennsylvania Rhode Island South Carolina - no AFDC above poverty South Dakota Tennessee - no AFDC above poverty Texas - no AFDC above poverty	Washington - 1970 Census Orshansky only		
Wisconsin			
25	9	5	7

[1]Does not include the District of Columbia, Florida, Maryland, Nevada or West Virginia in which counties and school districts are coterminous.

[2]Children 5-17 in families with 1969 income below the poverty line.

[3]Children 5-17 in families receiving aid to families with dependent children in excess of the current poverty level for a non-farm family of four.

[4]These states allocate part or all of their Census counts in proportion to average daily attendance.

Source: Profiles of Subcounty Allocation Procedures, Applied Urbanetics, Inc., 1977.

Table B.2

STATES, COUNTIES, AND DISTRICTS BY SUBCOUNTY ALLOCATION FORMULA, FY 1976

Subcounty Formula Type	Number of States	Counties		Districts		Title I Eligibles	
		Number	Percent	Number	Percent	Number	Percent
1. No Subcounty	5	164	5.2	164	1.0	599,912	6.9
2. Statutory	25	1,758	56.0	8,659	54.1	4,331,307	49.8
3. Similar to Statutory							
a. Census + AFDC > poverty	2	76	2.4	977	6.1	804,603	9.2
b. Census + AFDC	4	189	6.0	1,416	8.8	184,934	2.1
c. Census only	3	265	8.4	741	4.6	454,904	5.2
4. Total AFDC only	5	267	8.5	2,608	16.3	1,076,389	12.4
5. Other							
a. Agreement	3	231	7.4	340	2.1	908,059	10.4
b. Free Lunch + AFDC	1	75	2.4	386	2.4	156,645	1.8
c. Income tax + AFDC	1	99	3.2	450	2.8	83,552	1.0
d. AFDC > $2000	1	3	0.1	26	0.2	18,315	0.2
e. Census < $3000	1	14	0.4	239	1.5	86,478	1.0
Total	51	3,141	100.0	16,006	99.9	8,705,598	100.0

Table B.3

PERCENT OF DISTRICTS AND STATE'S[1] ALLOCATIONS SUBJECT TO SUBCOUNTY ALLOCATION, FY 1976

State	Total Number of Districts In State	Percent of Districts Not Coterminous With Counties[1]	Percent of Districts in More Than One County[1]	Percent of State's Money Subject to Subcounty Allocation
Alabama	126	76.2	0.0	61.6
Alaska	32	71.9	3.1	65.7
Arizona	240	99.6	0.4	100.0
Arkansas	386	76.4	23.6	100.0
California	1040	90.3	9.3	96.7
Colorado	181	72.9	22.1	68.9
Connecticut	166	99.4	0.6	100.0
Delaware	26	88.5	11.5	100.0
Dist. of Columbia	1	0.0	0.0	0.0
Florida	67	0.0	0.0	0.0
Georgia	188	28.7	1.1	32.3
Hawaii	1	0.0	0.0	0.0
Idaho	115	58.3	34.8	94.4
Illinois	1043	70.0	29.9	99.9
Indiana	304	82.9	12.2	89.0
Iowa	450	37.1	62.9	100.0
Kansas	309	33.7	66.0	99.9
Kentucky	182	57.7	1.1	57.4
Louisiana	66	6.1	0.0	4.6
Maine	221	92.8	7.2	100.0
Maryland	24	0.0	0.0	0.0
Massachusetts	359	96.9	2.8	99.9
Michigan	593	63.4	36.6	100.0
Minnesota	438	44.5	55.0	100.0
Mississippi	150	72.0	8.0	76.1
Missouri	567	56.3	43.5	77.7
Montana	598	99.3	0.7	100.0
Nebraska	1194	91.9	7.8	99.3
Nevada	17	0.0	0.0	0.0
New Hampshire	156	95.5	4.5	100.0
New Jersey	582	99.8	0.2	100.0
New Mexico	88	78.4	15.9	88.7
New York	737	68.3	31.1	34.7
North Carolina	148	53.4	1.4	51.7
North Dakota	326	83.4	16.3	99.7
Ohio	617	63.9	36.1	100.0
Oklahoma	628	76.6	23.4	100.0
Oregon	332	89.5	9.3	97.0
Pennsylvania	505	85.0	14.5	68.7
Rhode Island	40	97.5	2.5	100.0
South Carolina	93	67.7	6.5	53.2
South Dakota	319	46.1	52.5	89.6
Tennessee	146	57.5	0.7	60.9
Texas	1127	64.2	34.0	97.7
Utah	40	45.0	0.0	69.4
Vermont	245	98.0	2.0	100.0
Virginia	133	9.3	0.0	2.9
Washington	304	86.8	13.2	100.0
West Virginia	55	0.0	0.0	0.0
Wisconsin	436	57.6	42.2	99.7
Wyoming	50	92.0	0.0	66.6
Total	16,091	72.9	21.6	73.3

[1] If a district is not coterminous, and is in more than one county, it is included only in the "More Than One County" column.

Table B.4

AVERAGE TEACHER SALARY FOR FY 1976, BY STATE

State	Average Teacher Salary
UNITED STATES	$12,448
Alabama	10,397
Alaska	19,312
Arizona	12,394
Arkansas	9,648
California	15,200
Colorado	12,000
Connecticut	11,374
Delaware	13,545
District of Columbia	15,297
Florida	10,496
Georgia	10,622
Hawaii	15,209
Idaho	10,212
Illinois	12,448
Indiana	11,165
Iowa	11,570
Kansas	10,710
Kentucky	9,770
Louisiana	10,092
Maine	10,620
Maryland	13,709
Massachusetts	11,900
Michigan	13,540
Minnesota	12,261
Mississippi	9,514
Missouri	10,490
Montana	11,000
Nebraska	10,017
Nevada	12,716
New Hampshire	10,500
New Jersey	13,575
New Mexico	11,005
New York	15,950
North Carolina	11,165
North Dakota	9,888
Ohio	11,400
Oklahoma	9,600
Oregon	12,400
Pennsylvania	12,550
Rhode Island	13,381
South Carolina	9,904
South Dakota	9,514
Tennessee	10,299
Texas	11,375
Utah	11,360
Vermont	9,975
Virginia	11,500
Washington	13,615
West Virginia	10,480
Wisconsin	12,810
Wyoming	11,100

Source: Statistics of Public Elementary and Secondary Day Schools, Fall 1975, Betty J. Foster, et. al., National Center for Education Statistics, Washington, 1976, Table 11, p. 36.

Table B.5

PERCENTAGE OF METRO-CENTRAL CITY DISTRICTS[1] THAT WOULD RECEIVE GREATER (LOWER) ENTITLEMENTS UNDER A SUBCOUNTY FORMULA USING CENSUS ORSHANSKY[2] THAN UNDER THE CURRENT STATE SUBCOUNTY FORMULAS

Formula/State	More Than 40% Lower	5 to 40% Lower	Roughly The Same[4]	5 to 40% Greater	More Than 40% Greater	Number of Districts
TOTAL AFDC						
California	24	43	14	8	12	51
Massachusetts[3]	7	57	14	14	7	14
Missouri	-	54	-	9	27	11
SIMILAR TO STATUTORY						
Indiana[3]	-	5	95	-	-	20
New York	-	54	8	23	8	13
Utah	-	50	25	25	-	4
Vermont[3]	-	-	-	-	-	-
Virginia	-	-	100	-	-	9
STATUTORY						
Connecticut	8	42	50	-	-	12
Georgia	-	20	80	-	-	5
Idaho[3]	-	-	-	-	-	1
Illinois[3]	-	38	23	15	-	13
Kentucky[3]	-	25	75	-	-	4
Michigan[3]	-	18	64	-	-	11
Minnesota[3]	-	40	40	-	-	5
New Mexico[3]	-	-	-	-	-	1
Pennsylvania[3]	-	47	27	7	-	15
Rhode Island	-	-	100	-	-	3
Texas	4	18	54	22	2	50
Wisconsin[3]	-	33	44	-	-	9
OTHER						
Fixed Percent Based on 1960 Census						
Louisiana	-	-	83	17	-	6
Local Agreement						
North Carolina	-	22	44	22	11	9
AFDC + Free Lunch						
Arkansas[3]	-	50	33	17	-	6
Census < $3000						
Arizona	21	46	4	16	12	24

[1] Includes both elementary and secondary districts which currently receive Title I funds and for which Census data were available. Therefore, the sum of the row percentages may not always add to 100 percent.

[2] Census allocation is the U.S.O.E. special tabulation by school district.

[3] Data were not available for cross county districts. Therefore, only subcounty district data were used in the calculations.

[4] Within +5 or -5 percent.

States highlighted by shading are states in which AFDC above poverty is either zero or a small fraction of the statutory eligibles.

Table B.6

PERCENTAGE OF OTHER METRO DISTRICTS[1] THAT WOULD RECEIVE GREATER (LOWER) ENTITLEMENTS UNDER A SUBCOUNTY FORMULA USING CENSUS ORSHANSKY[2] THAN UNDER THE CURRENT STATE SUBCOUNTY FORMULAS

Formula/State	More Than 40% Lower	5 to 40% Lower	Roughly The Same[4]	5 to 40% Greater	More Than 40% Greater	Number of Districts
TOTAL AFDC						
California	11	23	7	18	38	434
Massachusetts[3]	17	19	8	13	33	179
Missouri	2	23	11	20	41	65
SIMILAR TO STATUTORY						
Indiana[3]	2	14	52	19	-	93
New York	2	16	11	39	31	358
Utah	-	-	67	34	-	6
Vermont[3]	-	-	-	-	-	-
Virginia	-	-	94	-	-	18
STATUTORY						
Connecticut	4	19	13	60	3	75
Georgia	-	-	92	8	-	13
Idaho[3]	-	-	-	-	-	2
Illinois[3]	19	14	6	10	31	438
Kentucky[3]	5	5	84	5	-	19
Michigan[3]	3	22	10	23	6	222
Minnesota[3]	2	12	29	31	-	62
New Mexico[3]	-	-	-	-	-	-
Pennsylvania[3]	9	27	25	25	2	304
Rhode Island	-	38	33	29	-	21
Texas	7	30	21	22	17	224
Wisconsin[3]	2	20	6	22	21	100
OTHER						
Fixed Percent Based on 1960 Census Louisiana	-	20	60	-	-	5
Local Agreement North Carolina	8	16	54	23	-	13
AFDC + Free Lunch Arkansas[3]	-	27	12	20	24	26
Census < $3000 Arizona	30	30	-	15	24	34

[1] Includes both elementary and secondary districts which currently receive Title I funds and for which Census data were available. Therefore, the sum of the row percentages may not always equal 100 percent.

[2] Census allocation is the U.S.O.E. special tabulation by school district.

[3] Data were not available for cross county districts. Therefore, only subcounty district data were used in the calculations.

[4] Within +5 or -5 percent.

States highlighted by shading are states in which AFDC above poverty is either zero or a small fraction of the statutory eligibles.

Table B.7

PERCENTAGE OF NON-METRO URBAN DISTRICTS[1] THAT WOULD RECEIVE GREATER (LOWER) ENTITLEMENTS UNDER A SUBCOUNTY FORMULA USING CENSUS ORSHANSKY[2] THAN UNDER THE CURRENT STATE SUBCOUNTY FORMULAS

Formula/State	More Than 40% Lower	5 to 40% Lower	Roughly The Same[4]	5 to 40% Greater	More Than 40% Greater	Number of Districts
TOTAL AFDC						
California	26	29	6	8	27	87
Massachusetts[3]	14	47	3	11	14	36
Missouri	14	66	7	8	2	58
SIMILAR TO STATUTORY						
Indiana[3]	-	7	75	12	-	32
New York	2	47	32	20	-	62
Utah	-	13	75	13	-	8
Vermont[3]	18	65	-	12	6	17
Virginia	-	-	95	-	-	19
STATUTORY						
Connecticut	-	43	36	21	-	14
Georgia	-	-	100	-	-	31
Idaho[3]	-	15	14	24	10	21
Illinois[3]	5	21	9	9	11	130
Kentucky[3]	-	7	90	2	-	41
Michigan[3]	4	36	16	9	2	56
Minnesota[3]	2	14	10	6	-	52
New Mexico[3]	-	16	62	8	4	26
Pennsylvania[3]	5	16	35	26	2	43
Rhode Island	-	75	25	-	-	4
Texas	1	21	55	18	2	138
Wisconsin[3]	2	30	12	11	-	61
OTHER						
Fixed Percent Based on 1960 Census						
Louisiana	-	-	83	8	-	12
Local Agreement						
North Carolina	3	15	49	21	9	33
AFDC + Free Lunch						
Arkansas[3]	3	33	15	16	5	59
Census < $3000						
Arizona	16	28	3	19	32	32

[1] Includes both elementary and secondary districts which currently receive Title I funds and for which Census data were available. Therefore, the sum of the row percentages may not always add to 100 percent.

[2] Census allocation is the U.S.O.E. special tabulation by school district.

[3] Data were not available for cross county districts. Therefore, only subcounty district data were used in the calculations.

[4] Within +5 or -5 percent.

States highlighted by shading are states in which AFDC above poverty is either zero or a small fraction of the statutory eligibles.

Table B.8

PERCENTAGE OF NON-METRO RURAL DISTRICTS[1] THAT WOULD RECEIVE GREATER (LOWER) ENTITLEMENTS UNDER A SUBCOUNTY FORMULA USING CENSUS ORSHANSKY[2] THAN UNDER THE CURRENT STATE SUBCOUNTY FORMULAS

Formula/State	More Than 40% Lower	5 to 40% Lower	Roughly The Same[4]	5 to 40% Greater	More Than 40% Greater	Number of Districts
TOTAL AFDC						
California	15	28	10	17	27	133
Massachusetts[3]	17	8	6	18	24	70
Missouri	12	24	6	21	34	251
SIMILAR TO STATUTORY						
Indiana[3]	2	15	54	12	-	144
New York	5	21	20	50	3	261
Utah	10	5	77	9	-	22
Vermont[3]	43	35	5	8	2	86
Virginia	-	-	99	-	-	82
STATUTORY						
Connecticut	6	28	26	24	-	51
Georgia	-	-	99	-	-	138
Idaho[3]	8	15	12	12	7	61
Illinois[3]	9	18	7	8	8	413
Kentucky[3]	-	2	95	2	-	115
Michigan[3]	3	18	8	13	3	221
Minnesota[3]	1	12	10	10	-	287
New Mexico[3]	2	29	27	15	2	41
Pennsylvania[3]	4	21	27	19	-	140
Rhode Island	9	18	18	27	27	11
Texas	6	32	25	28	6	310
Wisconsin[3]	1	15	12	14	4	235
OTHER						
Fixed Percent Based on 1960 Census Louisiana	-	2	98	-	-	43
Local Agreement North Carolina	-	8	81	10	-	93
AFDC + Free Lunch Arkansas[3]	4	22	9	20	9	201
Census < $3000 Arizona	28	27	6	10	19	53

[1] Includes both elementary and secondary districts which currently receive Title I funds and for which Census data were available. Therefore, the sum of the row percentages may not always equal 100 percent.

[2] Census allocation is the U.S.O.E. special tabulation by school district.

[3] Data were not available for cross county districts. Therefore, only subcounty district data were used in the calculations.

[4] Within +5 or -5 percent.

States highlighted by shading are states in which AFDC above poverty is either zero or a small fraction of the statutory eligibles.

Table B.9

PERCENTAGE OF DISTRICTS[1] WITH OVER 20 PERCENT CHILDREN 6-17 IN POVERTY[2] THAT WOULD RECEIVE GREATER (LOWER) ENTITLEMENTS UNDER A SUBCOUNTY FORMULA USING CENSUS ORSHANSKY[3] THAN UNDER THE CURRENT STATE SUBCOUNTY FORMULAS

Formula/State	More Than 40% Lower	5 to 40% Lower	Roughly The Same[5]	5 to 40% Greater	More Than 40% Greater	Number of Districts
TOTAL AFDC						
California	13	19	7	21	38	158
Massachusetts[4]	-	-	50	-	50	2
Missouri	6	24	5	24	39	168
SIMILAR TO STATUTORY						
Indiana[4]	-	-	78	11	-	9
New York	-	12	12	66	6	33
Utah	-	-	100	-	-	2
Vermont[4]	50	40	-	10	-	10
Virginia	-	-	100	-	-	75
STATUTORY						
Connecticut	-	100	-	-	-	2
Georgia	-	1	99	-	-	150
Idaho[4]	7	20	13	13	7	15
Illinois[4]	1	18	11	12	12	89
Kentucky[4]	-	4	93	3	-	122
Michigan[4]	-	18	15	21	-	34
Minnesota[4]	1	10	11	7	-	109
New Mexico[4]	2	19	39	15	2	56
Pennsylvania[4]	12	15	24	15	-	34
Rhode Island	-	-	50	50	-	2
Texas	1	27	37	26	5	483
Wisconsin[4]	-	23	18	9	-	44
OTHER						
Fixed Percent Based on 1960 Census: Louisiana	-	3	92	4	-	60
Local Agreement North Carolina	-	8	74	13	2	96
AFDC + Free Lunch Arkansas[4]	1	24	11	20	10	250
Census < $3000 Arizona	19	30	5	19	24	63

[1] Includes both elementary and secondary districts which currently receive Title I funds and for which Census data were available. Therefore, the sum of the row percentages may not always add to 100 percent.

[2] Poverty is defined as the Orshansky poverty level.

[3] Census allocation is the U.S.O.E. special tabulation by school district.

[4] Data were not available for cross county districts. Therefore, only subcounty district data were used in the calculations.

[5] Within +5 or -5 percent.

States highlighted by shading are states in which AFDC above poverty is either zero or a small fraction of the statutory eligibles.

Table B.10

PERCENTAGE OF DISTRICTS[1] WITH MORE THAN 30 PERCENT MINORITY POPULATIONS THAT WOULD RECEIVE GREATER (LOWER) ENTITLEMENTS UNDER A SUBCOUNTY FORMULA USING CENSUS ORSHANSKY[2] THAN UNDER THE CURRENT STATE SUBCOUNTY FORMULAS

Formula/State	More Than 40% Lower	5 to 40% Lower	Roughly The Same[4]	5 to 40% Greater	More Than 40% Greater	Number of Districts
TOTAL AFDC						
California	14	43	14	14	14	7
Massachusetts[3]	-	-	-	-	-	-
Missouri	-	50	-	-	-	2
SIMILAR TO STATUTORY						
Indiana[3]	-	-	100	-	-	1
New York	50	25	-	25	-	4
Utah	-	-	100	-	-	1
Vermont[3]	-	-	-	-	-	-
Virginia	-	-	100	-	-	38
STATUTORY						
Connecticut	-	-	-	-	-	-
Georgia	-	1	99	-	-	87
Idano[3]	-	-	-	-	-	-
Illinois[3]	10	50	-	20	-	10
Kentucky[3]	-	-	-	-	-	-
Michigan[3]	-	29	43	-	-	7
Minnesota[3]	-	-	-	-	-	1
New Mexico[3]	-	50	33	17	-	6
Pennsylvania[3]	-	66	33	-	-	3
Rhode Island	-	-	-	-	-	-
Texas	-	35	28	25	10	61
Wisconsin[3]	-	100	-	-	-	1
OTHER						
Fixed Percent Based on 1960 Census Louisiana	-	3	91	6	-	32
Local Agreement North Carolina	-	8	75	10	4	52
AFDC + Free Lunch Arkansas[3]	-	19	14	16	7	59
Census < $3000 Arizona	-	20	40	20	20	5

[1] Includes both elementary and secondary districts which currently receive Title I funds and for which Census data were available. Therefore, the sum of the row percentages may not always add to 100 percent.

[2] Census allocation is the U.S.O.E. special tabulation by school district.

[3] Data were not available for cross county districts. Therefore, only subcounty district data were used in the calculations.

[4] Within +5 or -5 percent.

States highlighted by shading are states in which AFDC above poverty is either zero or a small fraction of the statutory eligibles.

Table B.11

PERCENTAGE OF METRO CENTRAL CITY DISTRICTS1/ THAT WOULD RECEIVE GREATER (LOWER) ALLOCATIONS UNDER A UNIFORM FORMULA APPROXIMATING THE STATUTORY FORMULA THAN UNDER THE CURRENT STATE SUBCOUNTY FORMULAS

Formula/State	More Than 40% Lower	5 to 40% Lower	Roughly The Same	5 to 40% Greater	More Than 40% Greater	Number of Districts
TOTAL AFDC						
California	14	38	12	20	10	51
Massachusetts	-	71	14	14	-	14
Missouri	0	55	18	-	27	11
Montana	25	25	-	-	-	4
Wyoming	-	-	-	-	-	0
SIMILAR TO STATUTORY						
Census + AFDC > poverty						
New York	-	8	8	85	-	13
Vermont	-	-	-	-	-	0
Census + AFDC						
Colorado	-	33	67	-	-	3
Nebraska	-	75	25	-	-	4
Utah	-	50	25	25	-	4
Census Only						
Indiana	-	35	60	-	-	20
Virginia	-	-	100	-	-	9
Washington	-	50	50	-	-	4
OTHER						
Fixed Percent Based on 1960 Census						
Louisiana	-	-	83	17	-	6
Local Agreement						
Alabama	-	17	67	17	-	6
North Carolina	11	11	56	11	11	9
Free Lunch + AFDC						
Arkansas	-	50	33	17	-	6
Income Tax + AFDC						
Iowa	14	86	-	-	-	7
AFDC > $2000						
Delaware	-	100	-	-	-	1
Census < $3000						
Arizona	13	3	8	26	26	24

1/ Includes elementary and unified districts which received Title I funds and for which Census data were available. Therefore, the sum of the row percentages may not always add to 100 percent.

Table B.12

PERCENTAGE OF OTHER METRO DISTRICTS1/ THAT WOULD RE... GREATER (LOWER) ALLOCATIONS UNDER A UNIFORM FORMULA APPROXIMATING THE STATUTORY FORMULA THAN UNDER CURRENT STATE SUBCOUNTY FORMULAS

Formula/State	More Than 40% Lower	5 to 40% Lower	Roughly The Same	5 to 40% Greater	Than 40% Greater	Number of Districts
TOTAL AFDC						
California	10	19	6	24	29	434
Massachusetts	12	25	11	24	18	179
Missouri	3	32	6	17	33	65
Montana	-	-	-	-	75	4
Wyoming	-	-	-	-	-	0
SIMILAR TO STATUTORY						
Census + AFDC >poverty						
New York	2	8	13	62	14	358
Vermont	-	-	-	-	-	0
Census + AFDC						
Colorado	5	25	35	35	-	20
Nebraska	36	21	14	21	7	14
Utah	-	17	50	34	-	6
Census Only						
Indiana	5	49	34	9	-	93
Virginia	-	-	94	6	-	18
Washington	13	52	11	19	3	62
OTHER						
Fixed Percent Based on 1960 Census						
Louisiana	-	20	80	-	-	5
Local Agreement						
Alabama	15	15	50	20	-	20
North Carolina	8	15	54	23	-	13
Free Lunch + AFDC						
Arkansas	-	35	15	27	23	26
Income Tax + AFDC						
Iowa	12	29	7	27	24	41
AFDC > $2000						
Delaware	-	9	-	18	73	11
Census < $3000						
Arizona	12	6	15	18	24	34

1/ Includes elementary and unified districts which received Title I funds and for which Census data were available. Therefore, the sum of the row percentages may not always add to 100 percent.

Table B.13

PERCENTAGE OF NON-METRO URBAN DISTRICTS THAT WOULD RECEIVE GREATER (LOWER) ALLOCATIONS UNDER A UNIFORM FORMULA APPROXIMATING THE STATUTORY FORMULA THAN UNDER THE CURRENT STATE SUBCOUNTY FORMULAS

Formula/State	More Than 40% Lower	5 to 40% Lower	Roughly The Same	5 to 40% Greater	More Than 40% Greater	Number of Districts
TOTAL AFDC						
California	12	30	8	18	8	87
Massachusetts	3	44	17	20	6	36
Missouri	16	67	2	11	2	58
Montana	3	15	5	18	8	40
Wyoming	-	5	32	5	-	19
SIMILAR TO STATUTORY						
Census + AFDC > poverty						
New York	-	5	42	53	-	62
Vermont	-	41	18	29	6	17
Census + AFDC						
Colorado	-	43	52	4	-	23
Nebraska	52	39	-	2	-	44
Utah	-	13	75	13	-	8
Census Only						
Indiana	-	30	61	9	-	44
Virginia	-	-	95	-	-	19
Washington	-	64	18	15	3	39
OTHER						
Fixed Percent Based on 1960 Census						
Louisiana	-	-	92	8	-	12
Local Agreement						
Alabama	11	42	37	8	3	38
North Carolina	6	24	46	18	6	33
Free Lunch + AFDC						
Arkansas	8	42	22	26	2	59
Income Tax + AFDC						
Iowa	21	42	8	25	5	77
AFDC > $2000						
Delaware	-	100	-	-	-	1
Census < $3000						
Arizona	9	6	9	13	34	32

1/ Includes elementary and unified districts which received Title I funds and for which Census data were available. Therefore, the sum of the row percentages may not always add to 100 percent.

Table B.14

PERCENTAGE OF NON-METRO RURAL DISTRICTS1/ THAT WOULD RECEIVE GREATER (LOWER) ALLOCATIONS UNDER A UNIFORM FORMULA APPROXIMATING THE STATUTORY FORMULA THAN UNDER THE CURRENT STATE SUBCOUNTY FORMULAS

Formula/State	More Than 40% Lower	5 to 40% Lower	Roughly The Same	5 to 40% Greater	More Than 40% Greater	Number of Districts
TOTAL AFDC						
California	11	19	8	18	29	133
Massachusetts	23	17	10	20	14	70
Missouri	12	24	6	24	31	251
Montana	14	15	6	15	26	69
Wyoming	13	-	9	-	13	23
SIMILAR TO STATUTORY						
Census + AFDC > poverty						
New York	6	15	22	55	1	261
Vermont	11	27	15	29	1	86
Census + AFDC						
Colorado	3	35	32	28	2	68
Nebraska	39	32	1	8	12	165
Utah	9	-	82	9	-	22
Census Only						
Indiana	7	31	48	13	-	144
Virginia	-	-	99	1	-	82
Washington	9	38	14	31	7	111
OTHER						
Fixed Percent Based on 1960 Census						
Louisiana	-	2	98	-	-	43
Local Agreement						
Alabama	-	8	67	15	9	54
North Carolina	-	13	80	8	-	93
Free Lunch + AFDC						
Arkansas	7	37	12	31	11	201
Income Tax + AFDC						
Iowa	15	28	6	25	26	304
AFDC > $2000						
Delaware	-	50	10	10	20	10
Census < $3000						
Arizona	15	11	11	13	32	53

1/ Includes elementary and unified districts which received Title I funds and for which Census data were available. Therefore, the sum of the row percentages may not always add to 100 percent.

Table B.15

PERCENTAGE OF DISTRICTS1/ WITH OVER 20 PERCENT CHILDREN 6-17 IN POVERTY2/ THAT WOULD RECEIVE GREATER (LOWER) ALLOCATIONS UNDER A UNIFORM FORMULA APPROXIMATING THE STATUTORY FORMULA THAN UNDER THE CURRENT STATE SUBCOUNTY FORMULAS

Formula/State	More Than 40% Lower	5 to 40% Lower	Roughly The Same	5 to 40% Greater	More Than 40% Greater	Number of Districts
TOTAL AFDC						
California	9	15	4	27	27	158
Massachusetts	-	-	-	50	50	2
Missouri	5	23	8	24	36	168
Montana	4	12	8	20	32	25
Wyoming	33	-	-	33	-	3
SIMILAR TO STATUTORY						
Census + AFDC > poverty						
New York	3	15	24	55	-	33
Vermont	-	30	20	50	-	10
Census + AFDC						
Colorado	-	32	34	32	2	41
Nebraska	21	40	4	11	19	53
Utah	-	-	100	-	-	2
Census Only						
Indiana	-	22	67	11	-	9
Virginia	-	-	99	1	-	75
Washington	3	33	18	33	9	33
OTHER						
Fixed Percent Based on 1960 Census						
Louisiana	-	3	93	3	-	60
Local Agreement						
Alabama	1	19	59	15	4	98
North Carolina	1	11	73	14	1	96
Free Lunch + AFDC						
Arkansas	3	38	14	31	11	250
Income Tax + AFDC						
Iowa	-	-	-	25	75	40
AFDC > $2000						
Delaware	-	100	-	-	-	2
Census < $2000						
Arizona	2	10	14	13	43	63

1/ Includes elementary and unified districts which received Title I funds and for which Census data were available. Therefore, the sum of the row percentages may not always add to 100 percent.

2/ Poverty is defined as the Orshansky poverty level.

Table B.16

IMPACT ON DISTRICT ALLOCATIONS OF SHIFTING FROM CURRENT STATE FORMULA1/ FOR SUBCOUNTY ALLOCATION TO UNIFORM FORMULA2/ APPROXIMATING THE STATUTORY FORMULA

Formula/State	Districts Gaining More Than ½ The State's Average Teacher's Salary4/			Districts Losing More Than ½ The State's Average Teacher's Salary4/		
	Number	Percent	Average Percentage Gain In District Allocations	Number	Percent	Average Percentage Loss In District Allocations
TOTAL AFDC						
California	257	25	157	234	23	37
Massachusetts	82	23	60	96	27	35
Missouri	133	24	115	141	25	32
Montana	28	5	372	16	3	43
Wyoming	2	4	61	5	10	45
SIMILAR TO STATUTORY						
Census + AFDC > poverty						
New York	233	32	33	40	5	31
Vermont	6	2	47	14	5	29
Census + AFDC						
Colorado3/	12	7	23	25	14	19
Nebraska	19	2	69	92	8	49
Utah	3	8	15	6	15	12
Census Only						
Indiana	9	3	13	57	19	25
Virginia	1	1	7	0	0	0
Washington	74	24	22	140	46	21
OTHER						
Fixed Percent Based on 1960 Census						
Louisiana	2	3	14	2	3	11
Local Agreement						
Alabama	28	22	20	35	28	25
North Carolina	26	18	17	36	24	15
Free Lunch + AFDC						
Arkansas	30	23	39	106	28	25
Income Tax + AFDC						
Iowa	102	23	74	100	22	38
AFDC > $2000						
Delaware	13	50	160	8	31	24
Census < $3000						
Arizona	54	23	79	24	10	47

1/ Includes only those districts which currently receive Title I funds and for which Census data were available.

2/ For all districts, the major component in the uniform formula, as in the statutory formula, is the number of Census Orshansky children 5-17

For subcounty districts, the remainder of the statutory formula was approximated by adding a fractional share of the county's children in AFDC above poverty. The fractional share was determined by assuming that AFDC above poverty is distributed among districts within the county in the same proportion as Census Orshansky children.

The Census allocator is the U.S.O.E. Special Tabulation by School District. This Census source assigns the same number of Orshansky children to overlapping elementary and secondary districts. This results in a double counting of the Orshansky children within counties where there are overlapping districts. For this reason, only unified and elementary school districts are included in this analysis.

3/ Colorado weights total AFDC.

4/ The State's Average Teacher's Salary for FY 1976 ranges from $9,214 to $13,312 in the Nation. See Table ___ in the Appendix.

Table B.17

IMPACT OF USING SUBSTATE PROCEDURES IN PLACE OF SUBCOUNTY PROCEDURES1/

Formula/State	Percent of State's Money That Would Shift2/ if Subcounty Allocation Were Dropped in Favor of Substate Allocation	Districts Gaining More Than ½ The State's Average Teacher's Salary3/			Districts Losing More Than ½ The State's Average Teacher's Salary3/		
		Number	Percent	Average Percentage Gain in District Entitlements	Number	Percent	Average Percentage Loss in District Entitlements
TOTAL AFDC							
California	8.2	118	11	21	225	22	-24
Massachusetts	2.4	24	7	12	23	6	-8
Missouri	17.1	35	6	28	218	38	-47
SIMILAR TO STATUTORY							
Indiana	1.6	14	5	28	11	4	-18
New York							
Utah	4.2	7	18	8	18	45	-13
Vermont							
Virginia	0.9	1	1	54	15	11	-6
STATUTORY							
Connecticut	0.1	0	--	--	1	1	-59
Georgia							
Idaho							
Illinois	0.0	1	0	0	2	0	-64
Kentucky							
Michigan							
Minnesota							
New Mexico	0.5	3	3	6	3	3	-11
Pennsylvania							
Rhode Island							
Texas							
Wisconsin							
OTHER							
Fixed Percent Based on 1960 Census							
Louisiana							
Local Agreement							
North Carolina	1.2	68	46	2	1	1	-66
AFDC + Free Lunch							
Arkansas	0.6	6	2	11	7	2	-1
Census < $3000							
Arizona	0.7	3	1	2	0	--	--

1/ For states where Hold Harmless information was available in this analysis.

2/ Held Harmless districts maintain their current allocation.

3/ The State's Average Teacher's Salary for FY 1976 ranges from $9,314 to $19,312 in the Nation. See Table in the Appendix.

Table B.18

PERCENT OF STATE'S DISTRICTS AND ELIGIBLE CHILDREN (AS DEFINED BY THE STATE) AFFECTED BY USING SUBSTATE PROCEDURES IN PLACE OF SUBCOUNTY PROCEDURES FOR TITLE I ALLOCATIONS

Formula/State[2]	Percent of a State's Districts Whose Substate Entitlement[1] Relative to Its Current Allocation Would Be:					Percent of a State's Eligible Children in Districts Whose Substate Entitlement[1] Relative to Its Current Allocation Would Be:				
	More Than 40% Lower	5 to 40% Lower	Roughly The Same[3]	5 to 40% Greater	More Than 40% Greater	More Than 40% Lower	5 to 40% Lower	Roughly The Same[3]	5 to 40% Greater	More Than 40% Greater
TOTAL AFDC										
California	4	51	27	16	3	1	30	11	53	5
Massachusetts	--	23	64	12	1	-	26	58	16	-
Missouri	35	25	30	8	2	10	16	7	17	51
SIMILAR TO STATUTORY										
Indiana	--	5	84	9	2	-	6	89	5	1
New York										
Utah	--	60	23	18	--	-	24	19	57	-
Vermont										
Virginia	--	5	93	1	1	-	2	95	-	3
STATUTORY										
Connecticut	1	1	99	--	--	-	-	100	-	-
Georgia										
Idaho										
Illinois	--	--	100	--	--	-	-	100	-	-
Kentucky										
Michigan										
Minnesota	--	2	86	11	--	-	1	95	4	-
New Mexico										
Pennsylvania										
Rhode Island										
Texas										
Wisconsin										
OTHER										
Fixed Percent Based on 1960 Census										
Louisiana										
Local Agreement										
North Carolina	1	--	99	--	--	-	-	100	-	-
AFDC + Free Lunch										
Arkansas	--	--	96	4	--	-	-	98	1	-
Census < $3000										
Arizona	--	1	97	3	--	-	-	99	1	-

1/ Held harmless districts maintain their current allocation.

2/ For states where held harmless information was available in this analysis.

3/ Within a +5 and -5 percent of district's current allocation.

Table B.19

PERCENT OF STATE'S ELIGIBLE CHILDREN1/ IN DISTRICTS WITH DIFFERENT URBAN-METRO STATUS AFFECTED BY USING SUBSTATE PROCEDURES IN PLACE OF SUBCOUNTY PROCEDURES FOR TITLE I ALLOCATIONS, FOR SELECTED STATES

Urban-Metro Status	Percent of Eligible Children in Districts Whose Substate Entitlement3/ Relative to Its Current Allocation Would Be:				
	More Than 40% Lower	5 to 40% Lower	Roughly The Same4/	5 to 40% Greater	More Than 40% Greater
CALIFORNIA					
Non-Metro Rural	12	53	14	21	--
Non-Metro Urban	12	74	--	13	--
Other Metro	--	34	11	51	4
Metro Central City	--	21	10	62	7
MASSACHUSETTS2/					
Non-Metro Rural	--	33	43	24	--
Non-Metro Urban	--	41	44	15	--
Other Metro	--	39	53	9	--
Metro Central City	--	16	64	20	--
MISSOURI					
Non-Metro Rural	43	34	23	--	--
Non-Metro Urban	19	73	8	--	--
Other Metro	4	16	13	42	25
Metro Central City	--	--	--	12	88

1/ Eligible children as defined by the state. For these selected states, this is the number of total AFDC children.

2/ Data were not available for cross county districts. Therefore, only subcounty district data were used in the calculations.

3/ Districts that were held harmless maintain their current allocation.

4/ Within +5 or -5 percent.

Table B.20

PERCENT OF STATE'S ELIGIBLE CHILDREN1/ IN DISTRICTS WITH DIFFERENT POVERTY RATES2/ AFFECTED BY USING SUBSTATE PROCEDURES IN PLACE OF SUBCOUNTY PROCEDURES FOR TITLE I ALLOCATIONS, FOR SELECTED STATES

Percent of Children 6-17 in Poverty	Percent of Eligible Children in Districts Whose Substate Entitlement4/ Relative to Its Current Allocation Would Be:				
	More Than 40% Lower	5 to 40% Lower	Roughly The Same5/	5 to 40% Greater	More Than 40% Greater
CALIFORNIA					
0 - 7.5	--	35	10	41	15
7.5 - 12.5	--	37	16	36	12
12.5 - 20.0	--	25	3	70	2
20.0 - 100 Percent	5	39	32	24	--
MASSACHUSETTS3/					
0 - 7.5	--	34	54	12	--
7.5 - 12.5	--	25	60	15	1
12.5 - 20.0	--	23	59	19	--
20.0 - 100 Percent	--	--	59	41	--
MISSOURI					
0 - 7.5	3	9	10	51	27
7.5 - 12.5	4	13	4	13	68
12.5 - 20.0	26	41	5	27	--
20.0 - 100 Percent	11	15	7	--	68

1/ Eligible children as defined by the state. For these selected states, this is the number of total AFDC children.

2/ Poverty rate is defined as the percentage of children 6-17 in families below the Orshansky poverty level.

3/ Data were not available for cross county districts. Therefore, only subcounty district data were used in the calculations.

4/ Districts that were held harmless maintain their current allocation.

5/ Within +5 or -5 percent.

Table B.21

PERCENT OF STATE'S ELIGIBLE CHILDREN1/ IN DISTRICTS WITH DIFFERENT PERCENT MINORITY POPULATION AFFECTED BY USING SUBSTATE PROCEDURES IN PLACE OF SUBCOUNTY PROCEDURES FOR TITLE I ALLOCATIONS, FOR SELECTED STATES

Percent Minority	Percent of Eligible Children in Districts Whose Substate Entitlement3/ Relative to Its Current Allocation Would Be:				
	More Than 40% Lower	5 to 40% Lower	Roughly The Same4/	5 to 40% Greater	More Than 40% Greater
CALIFORNIA					
0 - 10	2	49	9	33	8
10 - 30	--	14	4	79	3
30 - 100	--	2	88	10	--
MASSACHUSETTS2/					
0 - 10	--	39	47	14	--
10 - 30	--	--	80	21	--
30 - 100	--	--	--	--	--
MISSOURI					
0 - 10	17	24	7	18	33
10 - 30	4	60	37	--	--
30 - 100	--	2	--	--	98

1/ Eligible children as defined by the state. For these selected states, this is the number of total AFDC children.

2/ Data were not available for cross county districts. Therefore, only subcounty district data were used in the calculations.

3/ Districts that were held harmless maintain their current allocation.

4/ Within +5 or -5 percent.

Table B.22

AVERAGE ENTITLEMENT PER ELIGIBLE CHILD (AS DEFINED BY THE STATE) FOR DISTRICTS WITH VARYING URBAN-METRO STATUS, BY FORMULA TYPE AND STATE

Numbers Enclosed in Parentheses are the Percent of Districts in that Classification1/.

	TOTAL AFDC			SIMILAR TO STATUTORY					OTHER			
Urban-Metro Status	California	Massa-chusetts2/	Missouri	Indiana2/	New York	Utah	Vermont2/	Virginia	Fixed Percent Based On 1960 Census Louisiana	Local Agreement North Carolina	Free Lunch + AFDC Arkansas2/	Census < $3000 Arizona
Non-Metro Rural	$289 (12%)	$184 (19%)	$400 (39%)	$157 (47%)	$194 (34%)	$129 (55%)	$149 (34%)	$168 (61%)	$152 (65%)	$152 (63%)	$163 (48%)	$157 (21%)
Non-Metro Urban	$298 (8%)	$186 (10%)	$335 (9%)	$158 (14%)	$190 (8%)	$125 (20%)	$159 (7%)	$167 (14%)	$152 (18%)	$152 (22%)	$163 (13%)	$157 (13%)
Other Metro	$238 (40%)	$181 (49%)	$213 (10%)	$161 (30%)	$171 (47%)	$105 (15%)	--- (0%)	$170 (14%)	$152 (8%)	$152 (9%)	$163 (6%)	$157 (13%)
Metro Central City	$221 (5%)	$179 (4%)	$151 (2%)	$161 (6%)	$172 (2%)	$107 (10%)	--- (0%)	$160 (7%)	$152 (9%)	$152 (6%)	$163 (1%)	$157 (10%)
Average District Entitlement Per Eligible	$256	$179	$358	$159	$180	$122	$146	$166	$152	$152	$163	$155

1/ Percentages do not always add to 100 percent because demographic data are not available for all districts.

2/ Data were not available for cross county districts. Therefore, only subcounty district data were used in the calculations.

AVERAGE ENTITLEMENT PER ELIGIBLE CHILD (AS DEFINED BY THE STATE) FOR DISTRICTS WITH VARYING PERCENT ENROLLMENT1/, BY FORMULA TYPE AND STATE

Numbers Enclosed in Parentheses are the Percent of Districts in that Classification2/.

	TOTAL AFDC			SIMILAR TO STATUTORY					OTHER			
Enrollment	California	Massa-chusetts3/	Missouri	Indiana3/	New York	Utah	Vermont3/	Virginia	Fixed Percent Based On 1960 Census Louisiana	Local Agreement North Carolina	Free Lunch + AFDC Arkansas3/	Census < $3000 Arizona
Less than 300	$262 (29%)	$162 (15%)	$393 (25%)	$127 (1%)	$169 (7%)	$[illegible] (3%)	$152 (56%)	--- (0%)	--- (0%)	--- (0%)	$163 (18%)	$152 (34%)
300 - 1,000	$275 (22%)	$182 (21%)	$378 (34%)	$148 (11%)	$193 (19%)	$129 (23%)	$141 (27%)	$143 (4%)	--- (0%)	$152 (1%)	$163 (45%)	$157 (25%)
1,000 - 5,000	$259 (25%)	$182 (42%)	$332 (22%)	$159 (70%)	$180 (54%)	$126 (43%)	$134 (10%)	$168 (54%)	$152 (32%)	$152 (46%)	$163 (21%)	$157 (27%)
5,000 - 10,000	$223 (10%)	$183 (14%)	$213 (3%)	$161 (8%)	$170 (11%)	$113 (13%)	$170 (0%)	$167 (22%)	$152 (36%)	$152 (31%)	$163 (3%)	$157 (5%)
10,000 - 25,000	$223 (8%)	$187 (5%)	$163 (2%)	$160 (6%)	$168 (5%)	$108 (10%)	--- (0%)	$162 (10%)	$152 (21%)	$152 (17%)	$163 (1%)	$157 (2%)
Greater Than 25,000	$213 (3%)	$173 (1%)	$149 (1%)	$163 (2%)	$173 (1%)	$103 (10%)	--- (0%)	$167 (7%)	$152 (11%)	$152 (5%)	--- (0%)	$157 (1%)
Average District Entitlement Per Eligible	$256	$179	$358	$158	$180	$122	$146	$166	$152	$152	$163	$155

1/ Enrollment data used are Average Daily Membership where available, otherwise Average Daily Attendance data were used.

2/ Percentages do not always add to 100 percent because demographic data are not available for all districts.

3/ Data were not available for cross county districts. Therefore, only subcounty district data were used in the calculations.

Table B.23

AVERAGE ENTITLEMENT PER ELIGIBLE CHILD (AS DEFINED BY THE STATE) FOR DISTRICTS WITH VARYING PERCENT MINORITY POPULATIONS, BY FORMULA TYPE AND STATE

Numbers Enclosed in Parentheses are the Percent of Districts in that Classification1/.

Percent Minority	TOTAL AFDC			SIMILAR TO STATUTORY					OTHER			
	California	Massa-chusetts 2/	Missouri	Indiana 2/	New York	Utah	Vermont 2/	Virginia	Fixed Percent Based On 1960 Census Louisiana	Local Agreement North Carolina	Free Lunch + AFDC Arkansas 2/	Census < $3000 Arizona
0 - 10%	$255 (59%)	$183 (81%)	$356 (56%)	$159 (95%)	$182 (86%)	$122 (95%)	$151 (40%)	$170 (36%)	$152 (3%)	$152 (24%)	$163 (39%)	$157 (44%)
10 - 30%	$248 (6%)	$164 (1%)	$286 (3%)	$165 (2%)	$175 (5%)	$130 (3%)	--- (0%)	$165 (31%)	$152 (47%)	$152 (40%)	$163 (12%)	$157 (9%)
30 - 100%	$221 (1%)	--- (0%)	$187 (0%)	$157 (2%)	$167 (1%)	$116 (3%)	--- (0%)	$166 (29%)	$152 (50%)	$152 (36%)	$163 (14%)	$157 (2%)
Average District Entitlement Per Eligible	$256	$179	$358	$158	$180	$122	$146	$166	$152	$152	$163	$155

1/ Percentages do not always add to 100 percent because demographic data are not available for all districts.

2/ Data were not available for cross county districts. Therefore, only subcounty district data were used in the calculations.

AVERAGE ENTITLEMENT PER ELIGIBLE CHILD (AS DEFINED BY THE STATE) FOR DISTRICTS WITH VARYING PERCENT CHILDREN 6 - 17 IN POVERTY1/, BY FORMULA TYPE AND STATE

Numbers Enclosed in Parentheses are the Percent of Districts in that Classification2/.

Percent Children 6-17 in Poverty	TOTAL AFDC			SIMILAR TO STATUTORY					OTHER			
	California	Massa-chusetts3/	Missouri	Indiana3/	New York	Utah	Vermont3/	Virginia	Fixed Percent Based On 1960 Census Louisiana	Local Agreement North Carolina	Free Lunch + AFDC Arkansas3/	Census < $3000 Arizona
0 - 7.5%	$237 (17%)	$182 (56%)	$246 (7%)	$158 (42%)	$173 (46%)	$124 (23%)	$152 (15%)	$174 (6%)	--- (0%)	--- (0%)	--- (0%)	$157 (8%)
7.5 - 12.5%	$248 (16%)	$184 (19%)	$299 (9%)	$160 (35%)	$186 (26%)	$118 (38%)	$133 (9%)	$167 (11%)	$152 (3%)	$152 (0%)	$163 (2%)	$157 (12%)
12.5 - 20%	$251 (18%)	$185 (6%)	$342 (17%)	$159 (17%)	$191 (16%)	$125 (35%)	$152 (13%)	$167 (23%)	$152 (6%)	$152 (26%)	$163 (8%)	$157 (11%)
20 - 100%	$285 (15%)	$166 (1%)	$406 (26%)	$159 (3%)	$199 (4%)	$124 (5%)	$176 (4%)	$167 (56%)	$152 (91%)	$152 (65%)	$163 (57%)	$157 (25%)
Average District Entitlement Per Eligible	$256	$179	$358	$158	$180	$122	$146	$166	$152	$152	$163	$155

1/ Poverty is defined as the Orshansky poverty level.

2/ Percentages do not always add to 100 percent because demographic data are not available for all districts.

3/ Data were not available for cross county districts. Therefore, only subcounty district data were used in the calculations.

AVERAGE ENTITLEMENT PER ELIGIBLE CHILD (AS DEFINED BY THE STATE) FOR DISTRICTS WITH VARYING PERCENT CHILDREN 6 - 17 IN POVERTY1/, BY FORMULA TYPE AND STATE

Numbers Enclosed in Parentheses are the Percent of Districts in that Classification2/.

STATUTORY

Percent Children 6-17 in Poverty	Connecticut	Georgia	Idaho[3]	Illinois[3]	Kentucky[3]	Michigan[3]	Minnesota[3]	New Mexico[3]	Pennsylvania[3]	Rhode Island	Texas	Wisconsin[3]
0 - 7.5%	$220 (66%)	$152 (3%)	$157 (8%)	$208 (48%)	$152 (4%)	$217 (37%)	$214 (18%)	$152 (3%)	$214 (42%)	$235 (42%)	$146 (5%)	$208 (34%)
7.5 - 12.5%	$221 (16%)	$152 (3%)	$152 (23%)	$210 (21%)	$152 (7%)	$217 (25%)	$213 (18%)	$152 (2%)	$214 (29%)	$237 (28%)	$150 (6%)	$206 (24%)
12.5 - 20%	$221 (5%)	$154 (15%)	$152 (20%)	$212 (13%)	$152 (20%)	$217 (13%)	$213 (23%)	$152 (7%)	$214 (19%)	$238 (16%)	$152 (9%)	$206 (22%)
20 - 100%	$220 (1%)	$153 (79%)	$152 (11%)	$209 (8%)	$153 (66%)	$217 (5%)	$213 (22%)	$153 (56%)	$214 (7%)	$235 (7%)	$152 (36%	$203 (10%)
Average District Entitlement Per Eligible	$219	$153	$153	$209	$153	$215	$214	$152	$214	$236	$148	$205

[1]Poverty is defined as the Orshansky poverty level.

[2]Percentages do not always add to 100 percent because demographic data are not available for all districts.

[3]Data were not available for cross county districts. Therefore, only subcounty district data were used in the calculations.